

EUROPEAN NEWS

EEC narrows gap on easing airline curbs

BY WILLIAM DAWKINS IN BRUSSELS

PROSPECTS FOR greater competition among European airlines inched closer yesterday at an informal meeting of EEC transport ministers.

The meeting ended with member states still split over a British-inspired proposal for the removal of excessively tight conditions on discount and deep discount fares, but with broad majority acceptance of the need for more liberal capacity sharing and competition on established routes.

Mr John Moore, UK Transport Minister, who initiated the compromise during Britain's recent presidency of the EEC, said last night: "I am a little happier, but not content," though the Commission was unable to share even that moderate level of optimism.

He said that Belgium, which took over the chairmanship of the EEC at the turn of the year, had given "very clear signals" for the compromise package. Much of the opposition, however, had been taken up by some member states, particularly opposed to lifting restrictions on discount fares that the present set of conditions should simply be replaced by new conditions.

One suggestion, later withdrawn, was that deep discount fares should not be permitted for passengers aged between 25

and 60. "The least we can say is that there was no backtracking on the part of other member states from the previous position on fares," said Mr Moore.

The Commission, which has made no secret of the fact that it is unhappy with the slow progress towards air transport liberalisation, is in the final stages of deciding what action to take against 10 major carriers it has accused of breaking competition rules.

The Brussels authorities started proceedings against the airlines last year under Article 50 of the Treaty of Rome when they sent the operators letters pointing out the infringements.

The Commission is expected to finish evaluation of the replies within two to three weeks, following which it will ask the airlines it believes are failing to follow competition law to correct any abuses. Failure to agree at that stage could lead to legal action in the European Court.

Meanwhile, the Community is coming under increasing pressure from consumers' lobbies and other industrial groups, to achieve progress on air transport liberalisation. Several large aircraft manufacturers have been lobbying the Commission on the issue in recent months because of the potential that liberalisation might hold for increased aircraft sales.

MEPs settle conflict over budget with member states

BY TIM DICKSON IN STRASBOURG

THE European Parliament's key budget committee yesterday agreed to settle its differences with member states over the Community's 1987 spending plans. The decision — likely to be endorsed by the full session of Parliament this afternoon or tomorrow — sets the scene for today's much awaited announcement by Mr Jacques Delors, European Commission President, of radical new ideas to sort out the Community's long-term finances.

So far this year the Community has been operating under a system of emergency financing. The Parliament deliberately voted to exceed the so-called "maximum rate" limiting the growth of non-farm adherence to budgetary discipline.

The deadlock was broken last Friday when budget ministers agreed a tortuous compromise that allows everyone to save face. This involved finding an "extra" Ecu 2.2m (£16.4m) of unspent money from 1986 which could be carried over into this year and increasing the "maximum rate" originally set by the ministers from 8.1 per cent to 8.4999 per cent through the addition of Ecu 4.7m to longer term commitments.

Taking the figure to the first decimal place the member states

can claim that they have won the argument. MEPs can argue, as they did yesterday, that in adding in the extra fraction symbolically at least they have breached an important principle.

The committee — made up of representatives of the leading political groups in the parliament — noted that despite their approval of the device, there are still disagreements over classification of expenditure and that the 1987 budget (Ecu 36.3bn) would not be adequate to cover the Community's foreseeable needs this year.

That is something of an understatement, as Mr Delors is likely to spell out in his keynote address to the parliament.

The latest estimates for overspending, largely thanks to the excesses of the Common Agricultural Policy, range from Ecu 4bn to Ecu 6bn.

Mr Delors is expected to unveil a radical method of calculating member states' contributions to the Community budget aimed at putting EEC finances on a more stable long-term footing.

It would retain some of the features of the present system — notably the traditional VAT formula — but the proposed new ceiling is thought to be based on a maximum proportion (probably 1.4 per cent) of a country's GDP. The new debate is likely to open up the politically sensitive question of Britain's rebates negotiated at the Fontainebleau summit in 1984.

France starts year with FF 2.5bn trade deficit

BY DAVID HOUSEGO IN PARIS

THE FRENCH trade account got off to a bad start to the year with a deficit of FF 2.5bn (£271m) on a seasonally adjusted basis in January, the External Trade Ministry reported yesterday. The deficit compares with a FF 3.7bn surplus in December which resulted in a small FF 0.6bn surplus for the year — the first since 1979.

On an unadjusted basis, the deficit in January was still larger, rising to FF 5.5bn as compared with a surplus of FF 4.4bn in December 1986.

The sharp turn around was

due to a decline in exports which fell by 5.4 per cent compared with January to FF 67.7bn on seasonally adjusted figures. By contrast, imports remained relatively stable, rising by only 1.5 per cent to FF 70.2bn.

The decline in exports was accompanied by a further shrinkage in France's surplus in industrial goods, which fell by FF 0.6bn — against FF 3.1bn in December. This is in line with the continuing worsening in France's surplus on industrial goods — falling last year to FF 32.2bn as against

FF 33.9bn in 1985.

Hungary records current account deficit of \$1.4bn

BY LESLIE COLLITT IN BERLIN

HUNGARY suffered a current account deficit of \$1.4bn last year, three times the hard currency deficit in 1985.

Disclosing the record payments deficit, Mr Ede Bako, a managing director of the Hungarian National Bank, said yesterday that the preliminary figure would vary little. Hungary's net debt, he noted, rose to \$7.8bn compared with \$5.1bn at the end of 1985. The debt growth was caused by the current account deficit as well as the fall of the dollar.

Hungary suffered a trade deficit of \$440m last year although a trade surplus was projected. The last trade surplus of \$314m was in 1985. Mr Bako said a modest trade surplus between \$100m and \$200m is forecast for this year along with a current account deficit of about half the level of last year.

Mr Frigyes Berecz, a senior Hungarian Government official,

noted recently that although the economic situation was severe, we are heading for bankruptcy. However, Mr Berecz, a deputy Prime Minister, added, Hungary could not take another year like 1986 "without consequences."

The Hungarian economy grew by only 0.5 per cent last year following only nominal growth in previous years. None of the major production branches reached the planned growth rate while the important agricultural sector boosted output by only 1 per cent compared with a growth target of 3 per cent to 3.5 per cent.

Per capita real income in Hungary, however, rose 3 per cent compared with a gain of 1 per cent to 1.5 per cent.

Mr Peter Veress, the Foreign Trade Minister, said the sudden fall in world oil prices had hit previously profitable Hungarian exports to the West of oil products.

East, West discuss basis for troop cut talks

BY PATRICK BLUM IN VIENNA

NATO AND Warsaw Pact representatives met yesterday in Vienna for their first meeting to discuss a framework and mandate for new negotiations on reducing conventional forces in Europe.

Mr Yuri Kashlev, the chief Soviet representative and head of the Soviet delegation at the Conference on Security and Co-operation in Europe (CSCE) also taking place in Vienna,

said the hour-long talks had allowed a "useful exchange of views."

Representatives of the 16 separate talks which lasted for another hour. After the meeting, Mr Stephen Ledgar, the deputy leader of the US mission to NATO in Brussels who was heading the US delegation, said that he was "encouraged" by the talks

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This process is regarded as unsatisfactory by France which objects to "block to block" negotiations as well as by the neutral and non-aligned nations who wish to be more closely involved.

The Warsaw Pact for its part also favours holding the talks within the CSCE process and with the participation of the neutral and non-aligned nations.

Countless problems in counting W Germans

By Peter Bruce in Bonn

THE NUMBER of state-funded hospital beds in Bavaria is a multiple of how many people the Bavarian government thinks are in the state. Now, if there were a million fewer people in the whole of West Germany than the 61m the authorities think there are, then Bavaria would probably "lose" about 180,000 inhabitants.

That would leave it with about 1,300 hospital beds too many, costing DM 70m (£22m) a year to maintain.

It is 18 years since the West Germans last counted their numbers. A lot of federal or state planning is being done by rule of thumb. Officials at the Federal Statistics Bureau concede that their population estimate could be in out either way.

An attempt to count their numbers in 1983 collapsed after the Constitutional Court accepted complaints that the census law then did not stop individual census data being passed on to other authorities. Another effort is to be made, after much refining of the law, on May 25.

The trade gap last year narrowed from DM 14.9bn to DM 8.6bn but there was an increase of DM 2bn in net travel expenditure to DM 2.8bn and a collapse in net shipping income.

The net foreign debt at the end of 1986 was DM 262bn, about 39 per cent of the gross domestic product.

At yesterday's exchange rates this equalled \$7,500 per head of the population.

The Greens argue that there is no certainty that information given in the census will remain confidential. "Only an empty, untouched questionnaire is a safe questionnaire."

The other establishment, Bundestag parties say the data will be secure, and insist that without a census soon it will become impossible to make forward-looking policy.

Mr Hans Engelhard, the Justice Minister, calls the Green boycott "the most outrageous, unparalleled act in federal parliamentary history." For good measure, he says it is illegal.

The legality or otherwise of a boycott remains to be tested. What is certain is that for fastidious West Germans, not knowing for certain how many people are in it, or how many travel to work by train, or how many buildings there are, it has become the demographic equivalent of an unscrupulous pitch.

Mr Egon Hoelder, president of the statistics bureau, claims that while "it would be really good if all citizens join in, no way is the whole thing (the census) going to be made worthless if a few per cent drop out."

Mr Simitis attributed the improvement in the 1986 current account deficit to DM 3.75bn (£1.15bn) from \$3.275bn in 1985 to indicate that "the sacrifices of salaried workers and farmers have not only not been made in vain, but have brought about precisely the positive development which was being sought."

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The measures included a 15 per cent devaluation of the Greek drachma, a compulsory import deposit scheme, and a virtual standstill of wages and salaries. The stabilisation programme set a current account deficit target of \$1.7bn for 1986.

The Bank of Greece figures released yesterday showed a near-halving of the current account deficit to \$1.765bn (£1.15bn) in 1986 from \$3.275bn in 1985 to indicate that "the sacrifices of salaried workers and farmers have not only not been made in vain, but have brought about precisely the positive development which was being sought."

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The Bank of Greece figures showed that last year's drop in oil prices helped Greece to save \$1.498bn in imported oil costs compared to 1985. Tourism earnings rose by 28.4 per cent to \$1.833bn while EEC receipts increased by 80.3 per cent to \$1.333bn.

The entire process is scheduled to cost DM 15.75m, but that is bound to increase. Such is the lack of interest, that many local authorities are having to offer interesting wages for the day's work.



Mr Koryakin in a picture from 1981, the year he was jailed.

Moscow to set free psychiatrist

By Patrick Cockburn in Moscow

THE SOVIET authorities will release Mr Anatoly Koryakin, a dissident psychiatrist, from prison "today or tomorrow," Mr Gennady Gerasimov, the Foreign Ministry spokesman, said yesterday.

Mr Koryakin, a 48-year-old psychiatrist, was sentenced to seven years in a labour camp and five years internal exile in 1981 after publishing reports that the Soviet authorities were sending dissidents to mental hospitals.

Mr Gerasimov added that the case of Mr Iusuf Begun, the Jewish dissident, was under consideration and likely to be resolved "in a positive way." Demonstrations by Mr Begun's family were broken up by the police in Moscow last week.

Mr Gerasimov also reaffirmed that 140 people in prison, labour camps or exile had been released and between 140 and 150 cases were under review. The process would not take years but might "take several weeks."

The Soviet Union, which diplomats say has 750,000 people in prison on political charges, evidently wants to defer the human rights issue in the eyes of international opinion but without so far declining a general amnesty.

Asked why Dr George Arbatov, the head of the USA and Canada Institute and a member of the Communist Party central committee, had said on US television on Sunday that Mr Begun had already been released, Mr Gerasimov said: "His case is being considered. There is a special procedure. You cannot do things just like that."

The decision of Mr Koryakin, the best known dissident still imprisoned, was signed on Friday, said Mr Gerasimov, adding that he would be free "today or tomorrow." He did not know if Mr Koryakin would leave the country once he had been released.

Commenting on the visit to Moscow of Mr Ali Akbar Velayati, Iran's Foreign Minister, Mr Gerasimov said that Mr Eduard Shevardnadze, the Soviet Foreign Minister, had accepted an invitation to visit Tehran, but he gave no date.

Correction

IN THE article "How South Africa netted Bonn's submarine plans" published yesterday it was incorrectly stated that Pretoria could easily convert its Israeli-made Gabriel missiles to submarine use.

Israel was supplied with three V540 submarines in the 1970s and not the later V209 as stated in the article.

Ingolstadsion Luebeck (IKL) was the designer of the V209, not as stated, the builder and designer. The builder was Howaldtswerke Deutsche Werft (HDW).

Odds on Haughey to win poll

By HUGH CARNEY IN DUBLIN

THE RESULT of yesterday's Irish general election should become clear later today, although the final outcome in several constituencies will not be known until tomorrow.

Polling stations were open until 9pm last night and the start of counting was held over as usual until the morning. Party officials predicted a high turnout among the 2.5m electorate as voting was reported brisk during a day of bright sunshine.

Mr Charles Haughey reaffirmed his confidence that his Fianna Fail party will win an overall majority, despite a

steady slide in its opinion poll ratings during the four-week election campaign.

But optimism was also expressed by Dr Garrett Fitzgerald, the outgoing Prime Minister, who was startled by a scantly-clad woman with a good luck "Kissogram" as he went to vote in his Dublin constituency. He believed a coalition was possible between his Fine Gael party and the Progressive Democrats, who were formed by a former Fianna Fail minister only 14 months ago. Their agreement on the need for tough spending cuts to tackle the country's

heavy debt burden contrasts with Mr Haughey's policy of a push for growth.

Dublin's bookmakers backed Mr Haughey's judgment, making Fianna Fail 1.2 to 1 to win a majority. A Fine Gael-Progressive Democrat coalition was 8-1 and a "hung" parliament was quoted at odds of 12-1.

The other main contenders are Fine Gael's outgoing coalition partner, Labour, the Marxist Workers Party and Sinn Fein, the political wing of the Irish Republican Army which is committed to taking up any seats it wins for the first time.

Eta member in leadership race

By TOM BURNS IN MADRID

THE EXTREME Basque nationalist party, Herri Batasuna, yesterday put forward a candidate as a candidate for the post of chief minister of the region's autonomous government.

The move came as Herri Batasuna reversed its previous policy of boycotting the Basque parliament and announced that it would attend a long delayed investiture session scheduled for Friday.

By nominating Mr Juan Carlos Yoldi (23), who was elected on Herri Batasuna's ticket for Guipuzcoa province in the Basque elections held last November, the party raised the possibility of a further delay in the investiture to give time for a court decision on whether Mr Yoldi can attend.

Mr Yoldi spokesman said the speech was being written jointly by the party leadership and by Mr Yoldi and his colleagues in Herri Batasuna de la Mancha.

With 13 members out of the 75 in the Basque parliament, Herri Batasuna will not gain the chief minister's post but it will have an obvious opportunity to question the credibility of an autonomous government in the Basque country.

Credibility in the ability of

attacks on the Renault motor company, Mr Yoldi is at present in the maximum security prison of Herrera de la Mancha. Should Mr Yoldi obtain permission to present his nomination, he will have 90 minutes in which

AMERICAN NEWS

Nominee to head CIA in pledge to Congress

By Lionel Barber in Washington

MR ROBERT GATES, President Reagan's nominee to head the Central Intelligence Agency, pledged yesterday to keep Congress informed of the agency's covert activities in the wake of the Iran arms scandal.

But he admitted during Senate confirmation hearings that he had not told Congress about the possible diversion of Iranian arms sales profits to the Nicaraguan Contra rebels because of what he called "warlike but extraordinarily clumsy" evidence.

Mr Gates, currently deputy director of the CIA, faces tough questioning from the Senate intelligence committee during confirmation hearings. Some committee members, angry about the failure of previous CIA director Mr William Casey to keep Congress informed, are determined to grill Mr Gates about his knowledge of the Iran arms scandal.

In a written statement yesterday Mr Gates said he had first heard speculation that funds may have been privately diverted from the US arms sales to Iran to the Contras in early October last year.

He said it would have been irresponsible to report this speculation and that he did not want to cross the legal limits on CIA involvement with the Contras and their private US supporters.

Under a congressional ban in 1984-85, the CIA was prohibited from being involved in direct or indirect aid to the Contras.

One of the main allegations in the Iran scandal is that the Reagan Administration, through the then White House aide Lt-Col Oliver North, set up a private aid network to help the Contras, thereby circumventing the ban.

Widespread reports say that Mr Casey and a CIA station chief in Costa Rica were heavily involved in this elaborate aid scheme.

Mr Gates said that there was no evidence before November 25 1986—the day the Iran scandal broke—of CIA or government involvement in any possible violation of laws banning assistance to the Contras.

Bernard Simon reports on Ottawa's cautious moves to prune the deficit rather than mend fences

Canadian budget dodges worries over political blunders

CANADA'S Government today tables a cautious budget which reflects more concern over the need to prune the budget deficit than to end its political troubles.

Just 30 months after sweeping into office with a near-record majority, Prime Minister Brian Mulroney's Progressive Conservative government is in serious trouble. According to the latest opinion polls, the Tories have the support of fewer than one in four voters, putting them well behind both main opposition parties.

The government has been embarrassed by a spate of scandals and blunders. Although each setback has been relatively trivial in itself, taken together they create an impression among the public of an inexperienced ruling group which falls short of the hardened judgments and rigorous standards demanded of politicians in a leading industrial democracy.

Some of the allegations made by the opposition and the media may prove to be more smoke than fire. But enough damage has already been done to raise questions about the Tories' and involvement.

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chances of recovery before the next Federal elections, likely to be called either next year or in 1987.

Against this background, caution is expected to be the watchword in today's budget. A sign of the Government's priorities is that the most enticing rumours in Ottawa over the past week or two have centred not on the contents of the budget, but on forthcoming Cabinet shuffles and changes among the Prime Minister's senior advisers.

Mr Wilson will be trying to achieve a balance between his goal of pruning an uncomfortably high deficit and the urge among some of his senior Cabinet colleagues to spend their way out of the Tories' political troubles.

Mr Wilson has already said that the budget will not do with the Government's sweeping (and politically sensitive) plans for tax reform which were expected to be ready by now. Any assault on social security spending, which is considered a vital element of long-term deficit reduction, is unlikely for the time being.

From a macro-economic point of view, Mr Wilson has a much



Wilson's easier job this year

easier job than he did a year ago. At that time, corporate tax revenues were threatened by the plummeting oil price. A sudden jump in interest rates to defend a weak Canadian dollar raised the prospect of higher debt-servicing charges.

Last February's budget was based on oil prices of \$22.50 a barrel. The drop in energy prices forced Mr Wilson last September to revise his 1986-87 deficit target upwards from C\$29.5bn to C\$32bn.

The minister now has more room for manoeuvre. Despite the energy setback, government revenues have risen faster than expected, thanks to higher personal and sales tax receipts on the back of a robust economy. Spending is roughly on target.

Last year's dollar crisis has given way to the unusual luxury for Canada of a strong currency and lower interest rates. Each one percentage point drop in borrowing costs saves the Government roughly C\$1bn in debt-service charges over a full year. Long-term government bond yields have eased down from over 10 per cent in July 1986 to 8.90 per cent last week.

Further growth in the economy in 1987, albeit at a lower rate than the previous three years, ought to help Mr Wilson meet his goal of gradually reducing the deficit from the peak of 7 per cent of gross national product in 1986. Measures taken

in the first two budgets after the Tories came to office in September 1984 were aimed at narrowing the deficit to 4.2 per cent of GNP by early 1991.

The challenge for Mr Wilson is to resist pressures to loosen the purse strings. The political constraints on deficit-cutting became clear last autumn when the Government hastily announced a C\$1bn cash handout to prairie grain farmers in the middle of a provincial election campaign in Saskatchewan.

The payment was designed to placate Western Canadians, who have grown increasingly restive as their regional economy has receded under falling energy and grain prices while the industrial heartland of Ontario and Quebec have prospered.

Mr Wilson has already been forced to accelerate tax concessions to Alberta oil and gas producers. Some of his fellow-ministers are pressing for more, including an oil and gas depletion allowance.

But Western alienation is now just one of the Tories' political problems. As they have tried to shake off one milestone in the past few months, another has taken its place.

A junior cabinet minister was fired over his alleged involvement in a shady land transaction in Quebec. Another minister was discovered to have hired two aides with criminal records. Numerous allegations have surfaced of the involvement of ministers and senior officials in influence-peddling schemes.

The Government has come under fire for its handling of a softwood lumber dispute with France. The timber dispute culminated in the imposition of a 15 per cent tax on Canadian exports. In the fishing case, the Federal Government apologised to Newfoundland for not giving it advance warning of the pact with France.

Mr Mulroney said last week that "this is not an easy time for the Government or for me."

The consolation for Mr Wilson is that, as one of the few ministers whose stature has grown since the Tories came to office, he is in a good position to resist some of the political pressures which have been brought to bear on today's budget.

A small quota of stock—5 per cent—was earmarked for private brokerage houses.

The banks were nationalised in 1982 as one of the last gestures of the administration of President Lopez Portillo.

The first stocks to be sold—shares in Bancomer and Banamex, Mexico's largest commercial banks—were distributed on February 6 at prices far below their anticipated market value.

Predictions by brokers that the stock would soar in Mexico's booming stock market erred only on the side of conservatism. The fortunate original investors have already posted profits of better than 200 per cent in dollar terms and the banks' shares continue to climb.

Though officially released February 6, the Bancomer and Banamex shares had already been "placed" with bank employees, clients and brokerage days beforehand, bank officials said.

The first bank stocks to be traded publicly since Mexico's 1982 commercial bank privatisation, the shares began to be exchanged actively on the Mexican bourse when the next trading week began on February 9.

By the week end, the Banamex shares that had been sold originally for 11,000 pesos (\$7) each were being traded for 37,000 pesos, while Bancomer stocks that was distributed at 24,000 pesos a share had jumped to 60,000 pesos.

The sale of the bank stocks has become a scandal that calls into question the administration's commitment to its "moral renewal" anti-corruption campaign. La Jornada daily said yesterday.

Mexico share sale profits under attack

By William Orme in Mexico City

SHARES in Mexico's nationalised banks tripled in value in the first full week of public trading last week, creating an unprecedented and controversial windfall for a select group of private stockholders and prompting government critics to label the stock sale a political "scandal".

Fulfilling its 1983 pledge to sell 34 per cent of the stock in Mexico's nationalised banks to private investors, the administration a few weeks ago quietly authorised a distribution of bank shares to nationalised bank employees, senior bank executives and a still unidentified group of private businessmen.

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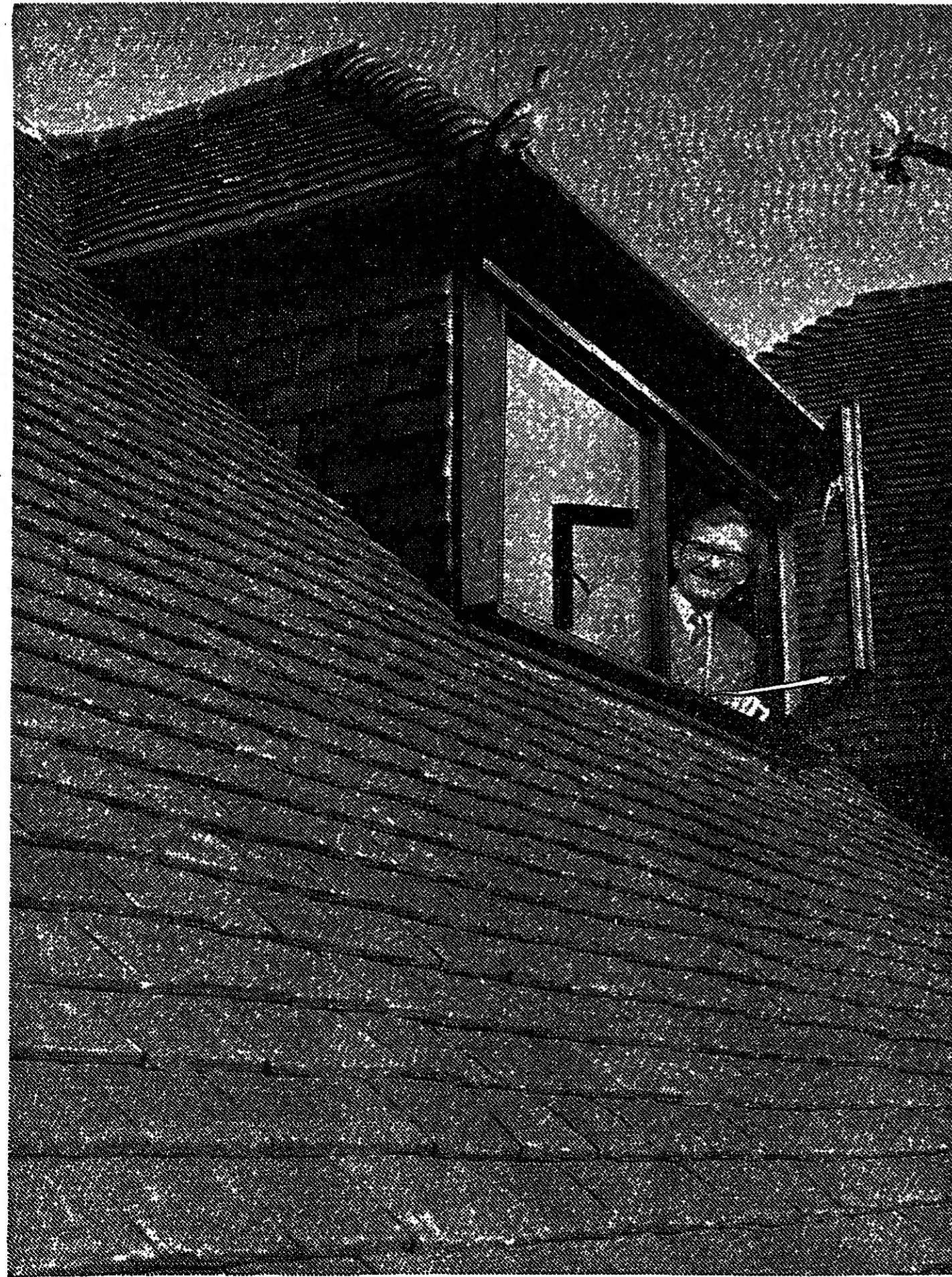
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OVERSEAS NEWS

Soviet Union raises \$150m loan in Kuwait

THE SOVIET Union has raised a landmark \$150m loan in Kuwait in what bankers see as a strategic bid to boost fledgling economic ties and cement political relations with the Gulf oil emirate, Reuter reports from Kuwait.

The loan enhanced Moscow's higher profile in the Gulf and aroused interest from banks elsewhere in the Middle East looking for a stake, regional banking sources said.

Senior officials of the Soviet Foreign Trade Bank signed the eight-year, general-purpose commercial credit with a local consortium of nine financial institutions on Sunday.

The bank's deputy chairman, Mr Vladimir Drovossekov, said he had discussed further avenues for co-operation and explored ways to fund trade and joint ventures.

The loan was the first arranged by a Kuwaiti institution at Moscow's request.

"I would say it was a move from the Soviets to strengthen the relationship of the Soviet Union and Kuwait," said a senior banker in the emirate, which has huge oil reserves.

Kuwait opened diplomatic links with Moscow in 1963 and, for 22 years, was the only Gulf Arab state with Soviet ties. But economic contacts were limited largely to buying arms.

Gulf bankers said other institutions in the area, mainly Bahrain, showed interest when they heard the loan was being put together. But Moscow wanted it limited to joint ventures with Kuwait.

Bankers said Moscow's sound rating in world credit markets underlined the strategic nature of the loan.

"Internationally, when Russia approaches the market, there will often be an oversubscription ... this looks like a way to start a direct relationship with local banks," a source said.

Bankers said enthusiasm in the

Rift deepens among Chinese leaders

By Collins Macdougal

WANG ZHEN, vice-chairman of the Chinese Communist party's advisory commission, said yesterday that the party had been hit by "weakness and confusion" in the ideological field in recent years. His statement marks a tough new attack on liberal trends.

This contrasted, he said, in the unity shown eight years ago in opposing the Gang of Four—Chairman Mao's wife and her radical colleagues who promoted the 1966-76 Cultural Revolution.

This attack suggests a deepening rift in the leadership between conservative Communists, for whom Wang Zhen has been a prominent spokesman in recent weeks, and the more liberal reformers, led by the supreme leader, Deng Xiaoping, who have sought a more flexible political approach to boost economic reform.

This rift first appeared publicly when Hu Yaobang, the former party general secretary, was dismissed from his post a month ago following student demonstrations for more freedoms in Peking and other Chinese cities.

At the same time, there are ominous signs that this rift is accompanied by a spread of the campaign against "bourgeois liberalism," which initially

Zhao Ziyang, the Premier, declared would not go beyond the party.

While Premier Zhao yesterday reaffirmed that the country's reforms and open policy were not under threat from the current drive against Western ideas, he did not repeat his earlier assurances.

Two other targets for the campaign were yesterday pin-pointed: the army and the police cameras.

Yesterday's Liberation Army Daily said: "The whole army corps should also participate in the campaign, and an announcement by the military's General Political Department called for an ideological education programme which included more study of Marx and of the works of Deng Xiaoping.

The People's Daily yesterday carried on its front page a warning from Vice-Premier Li Peng, sometimes tipped to be China's next premier, that only students with both ability and political integrity could be regarded as qualified to build a socialist China.

Lionel Barber reports on Israel's Washington talks in the wake of the Iran arms scandal

Shamir sets out to repair US relationship

WHEN Israel's Prime Minister Yitzhak Shamir met yesterday with US Secretary of State Mr George Schultz, one topic is bound to have come up on the agenda: the Iran arms scandal.

Despite strenuous attempts by Israeli officials to play down the scandal—even to the point of suggesting that President Ronald Reagan had privately promised Mr Shamir not to raise it during his meeting yesterday—the revelations about Israel's role have caused considerable strains in the two countries' relationships.

Israel is extremely concerned about the way in which the scandal could damage what must rank as America's closest alliance outside the official relationship with the UK for it has a bearing on several aspects of US policy in the Middle East.

As one former senior US diplomat said: "The essence of our policies in the region—not negotiating with terrorists, stopping people selling arms to Iran and not taking sides in the Iran-Iraq war—has been violated. It has been a debacle."

US diplomacy over the next two years will try to recover the trust and confidence of moderate Arab states such as Jordan and Egypt. The so-called Middle East peace process—the ever-elusive attempt to solve the problem of a Palestinian homeland while assuaging Israel's national security concerns—will

remain stalled because the US, pressure by the American Jewish lobby, has not an authority to bring feeding the factions round the table, is a limping observer on the side-lines.

The big Israeli fear is that the scandal may cause Washington to over-react in its courting of friendly Arab countries and thereby weaken the US-Israel relationship, still one of the most sensitive subjects in domestic American politics.

Politicians and the press in America are generally very wary of criticising Israel. Ties between the two countries are historic—military and economic aid amounts to \$3bn a year—and support for Israel among the American public is beyond doubt.

Jewish voters, activists and easily mobilised, can still make or break a politician in the big cities.

But since the Iran-Iraq relations, exposing intense Israeli involvement—from former Prime Minister Mr Shimon Peres downwards—in President Reagan's decision to sell arms to Iran, some doubts have been raised about Israel's role in US foreign policy.

As one former diplomat said: "People want to know how in God's name the Israelis managed to have such influence over the White House."

The question is even more striking when one remembers that US arms sales to Iran were not a result of intense

positively encouraging the sale of gun-ho diplomacy and obsessive secrecy cut out experts in the State Department and the CIA who would have warned of the dangers of the emerging policy; and the Reagan Administration, unlike the Carter Administration, has become a lot closer to Israel than was the case.

The big Israeli fear is that the scandal may cause Washington to over-react in its courting of friendly Arab countries and thereby weaken the US-Israel relationship.

The two are very different. As if to underline this point, the Justice Department this week disclosed a new development in the case of Jonathan Jay Pollard, the former US Navy intelligence analyst who confessed to funneling secrets to Israel for cash over an 18 month period until his arrest in November 1985. The Department said it had notified three Israelis implicated in the case that their immunity would be revoked and that another alleged spy ring member could be indicted. The reason cited was that they believed that the Israelis had lied in earlier evidence.

A sign, too, that sentiment may be changing a little came when US officials disclosed in testimony to Congress this week that they are considering a plan to help Jordan upgrade its fixed base anti-aircraft weapons to a mobile system, partly to stop Amman turning to Libya for arms.

Mr Shamir's goal in his 10-day tour of the US will be to block any major prospective US arms deals with the Arab states, right down to a \$5m package to supply Jordan with the copperhead anti-tank missile. If he can do that—and drive home his weekend message that Israel has now been elevated to the status of an "official ally" (meaning expanded military collaboration), then his job will be well done.

There are signs that some in the Reagan Administration recognise there are grave dangers in the US identifying its own goals with those of Israel. As one official said: "Israel sees everything through a prism, in terms of its own national security. The US has to view the Middle East in terms of its global interests."

the Nile, that thousands of Sudanese students are studying at Egyptian universities, and that there is extensive military and economic co-operation.

There are signs that common outweighed present differences over Libya, Chad, the Gulf war and Ethiopia, with whom Egypt improved its relations recently. There is tension between Khartoum and Addis Ababa over Ethiopia's support of the southern Sudanese insurrection.

Egypt has been concerned about Mr Al-Mahdi's lack of progress in ending the southern rebellion. There has also been worry in Cairo about an apparent failure in Sudan to come to grips with its economic difficulties, although Egypt is hardly in a position to criticise its southern neighbour on that score.

Egyptian officials have noted with approval Mr Al-Mahdi's efforts recently to limit Libyan influence in his country.

Another potential difference—the presence in exile in Libya of Mr Nimeiri—is thought unlikely to cause difficulties during Mr Al-Mahdi's visit.

Egypt hopes Sudan leader's visit will restore links

BY TONY WALKER IN CAIRO

Egypt hopes this week's visit to Cairo of Mr Sadeq Al-Mahdi, Sudan's leader, will help re-establish cordial relations that have existed in the past between the two Nile Basin countries.

Since Mr Al-Mahdi came to power in May 1986 in democratic elections following a coup that overthrew former President Jaafar Nimeiri in 1985, he has kept his distance from Egypt as part of an effort to chart a more independent course for Sudan.

Sudan's Prime Minister sought improved ties with Libya, Egypt's arch-enemy, distanced his country from the US, and refurbished links with the Soviet Union, visiting Moscow in the process.

Egypt has watched with concern such developments, worrying that Mr Al-Mahdi's attempts

to forge a new foreign policy independent of the superpowers would become "institutionalised" to the detriment of relations between Cairo and Khartoum.

Mr Al-Mahdi has in the past criticised Egypt's policies towards the Sudan. These policies led Cairo several times to send troops in support of Mr Nimeiri when he faced internal opposition.

Many Sudanese, and Mr Al-Mahdi is no exception, feel that Egypt has, on occasions, adopted a paternalistic approach towards Sudan. This has caused underlying tension.

A senior Egyptian official, who has responsibility for relations with Black Africa, said in an interview that the pattern of Egypt's relationship with Sudan had been one of "ups and downs."

Basically, ties were sound, he added, noting that the two countries share the waters of the Nile.

Mr Sadeq Al-Mahdi

Cairo lets public sector buy in unofficial market

BY OUR CAIRO CORRESPONDENT

EGYPT is allowing selected public-sector institutions to buy dollars in the unofficial currency market to fund imports of raw materials and to repay debts.

The decision is a sign that the central bank is desperately short of foreign exchange. It also means that Egypt is seriously considering licensing banks to deal in the free market.

At the same time, public-sector institutions fortunate enough to secure dollars from the central bank are being required to pay a premium of about £21.70 to the US dollar compared with the official commercial rate of £21.35 to the pound.

A prominent Egyptian banker said these moves were aimed at "testing the water" before the authorities further relaxed restrictions on public-sector banks and companies dealing in the free market.

Egypt has been under strong pressure from the International Monetary Fund to rationalise its multi-layered exchange rate system. The various rates bear little relation to the real value of the Egyptian pound against foreign currencies.

The Egyptian pound this week was trading in the free market at about 1.95 to the dollar. The Government is concerned about a huge depreciation if the pound were floated.

The value of the pound in the free market has been relatively stable. This is most likely attributable to Egypt's success in restraining imports under new regulations introduced last year.

There is almost certainly a strong pent-up demand for dollars in the market. Egypt is heavily in arrears to its international creditors on a \$40bn (£28.5bn) foreign debt.

Factories are operating at much reduced capacity partly because of lack of foreign exchange to purchase raw materials.

Meetings of officials familiar with discussions between Egypt and the IMF on a standby credit say the two sides are relatively close to an agreement.

IMF and World Bank for talks in Zambia next week

BY VICTOR MALLET IN LUSAKA

A MISSION from the International Monetary Fund (IMF) and the World Bank will visit Zambia next week, in an effort to revive the country's increasingly shaky economic reform programme.

Mr Barber Conable, World Bank President, announcing the mission in Lusaka, said the IMF and World Bank representatives were expected to discuss adjustments or even alternatives to the recently suspended system of weekly foreign currency auctions.

The auction system started in 1985 and was a cornerstone of the IMF's attempts to restructure the Zambian economy, but the auctioning was suddenly suspended three weeks ago by President Kenneth Kaunda, who also reshuffled his Cabinet.

Dr Kaunda's announcement, apparently in response to anger in the ruling party over the weakness of the Zambian kwacha on the free market, could be a serious setback for Western attempts to reorganise African economies on the basis of realistic exchange rates, although the response from the World Bank and the IMF has so far been muted.

Dr Kaunda has said that the kwacha, valued at around 15 to the dollar in the most recent auctions, would be pegged to a basket of currencies and set between nine and 12.5 to the dollar.

At the same time, he has reaffirmed his support for the auction, an apparently contradictory stance which has confused and exasperated Western observers.

Calling on Zambia to move away from its dependence on copper mining, Mr Conable praised the president but criticised other Zambian leaders for failing to understand the need to make sacrifices now for the country's future prosperity.

Dr Kaunda is expected to hold talks in Britain soon with the anti-apartheid Movement (AAM), following discussions in Lusaka this week between Barclays International's chairman designate, Mr John Quinton, and the African National Congress (ANC) guerrilla movement.

Manila general aims for civilian credibility

BY RICHARD GOURLAY IN MANILA

WHEN Manila's Defence Minister, retired Gen Rafael Ileto, and troops throughout the Philippines swore allegiance to the new constitution on Monday, it was cosmetic surgery designed to lift the sagging image of the country's military.

Mr Ileto is the first to admit that more than just a face-lift is required. When he took over as Defence Minister last November, the 67-year-old former armed forces Vice-Chief of Staff and Ambassador to Iran and Thailand inherited a corrupt, inefficient and deeply politicised military.

The hangover from the past continues to hamper the military as the 18-year war with Communist New People's Army guerrillas (NPA) resumed last February. A military revolt last February helped topple Mr Marcos but left many officers apparently reluctant to accept civilian supremacy.

But Mr Ileto will need all his diplomatic skills to deal with the dissent in the officer corps. A military revolt last February helped topple Mr Marcos but left many officers apparently reluctant to accept civilian supremacy.

In her first year in power, President Corazon Aquino faced at least three attempted coups and a constant rumble of protest from many officers upset by her alleged softness towards the Communists.

"The military is like a general," one palace official said. Mr Ileto thinks it will take a generation to raise professional standards in the military.

After training at West Point Military Academy, he became

the "father" of the Philippine Army Scouts that led the successful anti-insurgency campaign against the Huks. He was a member of the Communist guerrillas in the 1950s.

Then banished to Thailand as Ambassador by Mr Marcos in 1981 for being too "independent-minded" as he tells it, Mr Ileto watched as that country's Communist insurgency crumbled under a military and economic assault.

"He is a very effective, recognised soldier statesman," a military expert said, recalling Mr Ileto's army record that stretches back to fighting the Japanese with the American forces in 1943.

But Mr Ileto will need all his diplomatic skills to deal with the dissent in the officer corps. A military revolt last February helped topple Mr Marcos but left many officers apparently reluctant to accept civilian supremacy.

But even if the military can contain the rebels, despite its shortcomings, the central plank of Mr Ileto's anti-insurgency approach has already taken a knock.

Unless the integrity of the state is directly challenged, he plans to mount only as many military assaults against the NPA as public opinion will allow him to get away with.

In this way, Mr Ileto hopes to get and keep the civilians on

the Government's side. But on February 10, soldiers in a fire-fight with the NPA shot dead 17 villagers.

Survivors described it as a "horrible massacre" reminiscent of one of the worst in the Marcos years, and denied military claims that the civilians were NPA sympathisers.

Since then, two inquiries have been set up while enraged villagers and soldiers have traded versions of the incidents.

"People at the moment give more credibility to the worst of the villagers because of the reputation of the army," an Asian military observer said.

The incident has further soured relations between the military and the civilian government. But Mr Ileto has one advantage over his predecessor, Mr Juan Ponce Enrile, many of whose views on counter-insurgency policy he shares.

Mr Ileto has a soft-spoken style that many civilians find a welcome change from Mr Enrile's chest-beating, yet he has won the respect of many officers who know his history and his harder side.

As the guerrilla war heats up, inevitably leading to more civilian victims, Mr Ileto is likely to emerge as the peace-civilian sides of the Government.

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UK NEWS

Report urges improved analysis of farm income

BY MAX WILKINSON, RESOURCES EDITOR

MORE EFFORTS should be made to discover how much of the £1.5bn agricultural subsidies in the UK leaks into inflated land values of interest to the pockets of non-farmers, says a report to parliament published yesterday.

The report, by Sir Gordon Downey, the Comptroller and Auditor General, says that reliable measurement and analysis of farming incomes are now particularly important in view of the efforts to reduce European commodity sur-

pluses as well as on subsidies and their net incomes.

He also says policy could be better formulated if the Government were to use its data on income and other surveys to "estimate how much of the financial support was retained by farming itself and how much passed into other hands through, for example, higher prices paid by the industry for the use of land, goods and services."

The report adds: "On visits to three ministry divisional offices the National Audit Office found there was no systematic local investigation of the extent to which target income was achieved in individual cases."

It quotes the Annual Review of Agriculture's estimate that in 1986 gross UK agricultural output was £12.2bn. After subtracting depreciation and farmers' enterprises, the net product was £2.3bn. Total subsidies and support under the CAP is put at £1.5bn for 1986-87.

The report urges improved analysis of farm income

by Peter Riddell, Political Editor

Guinness may face inquiries by police

THE DIRECTOR of Public Prosecutions (DPP) is considering whether to involve the police in the investigation of alleged criminal offences during the takeover of Distillers, the whisky company, last year by the drinks group Guinness.

Sir Patrick Mayhew, the Solicitor General, stated last night in a parliamentary written answer: "The Department of Trade and Industry inquiry into Guinness is proceeding, and there is already close liaison with the Director of Public Prosecutions, who is being advised by leading counsel. The question whether to request police inquiries is among those now under active consideration by the DPP."

His answer was to a question by Sir Alex Fletcher, the former Conservative corporate affairs minister, who has been a consultant of the Argyll Group, which bid unsuccessfully for Distillers last year.

Sir Alex asked whether allegations about criminal offences involving Guinness would be referred to the DPP with a view to a request for police inquiries. This followed reports last week that the police might be kept out.

Sir Alex said last night that he had been concerned about reports that the police wanted to go in and investigate alleged criminal offences and it seemed reasonable to expect that they might go in soon.

"I am fully aware that the work done by the inspectors under the Companies Act is both complex and lengthy, but there is no reason why that should prevent the fraud squad carrying out its normal investigation, and I hope that will now proceed."

Government turns down plan to build town on protected land

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

THE GOVERNMENT has rejected a plan by Britain's biggest house-builders to build a new country town for 15,000 people on protected green belt farmland at Tillingham Hall in Essex, in south-east England.

The controversial scheme has been regarded as a test case of the Government's determination to preserve the green belt protected land from developers, especially in the face of growing lobbying about the

state of the present surplus of agricultural land.

The verdict on Tillingham Hall, announced by Mr Nicholas Ridley, Secretary of State for the Environment, signals the Government's commitment to the maintenance of green belts.

The key reason for not allowing the Tillingham Hall development is that the site lies in the long-established metropolitan green belt around London.

The Tillingham Hall proposal was put forward by Consortium Developments, a group of seven of Britain's biggest house-builders, in

cluding Barratt, Wimpey, Tarmac and Trafalgar House's Ideal Homes.

The consortium argued that there was a shortage of building land in the south east, where people most want to live, and so it was necessary to consider sites such as Tillingham.

The key reason for not allowing the Tillingham Hall development is that the site lies in the long-established metropolitan green belt around London.

American Express owed \$322,000

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SAUDI Arabian businessman has been ordered by the High Court in London to pay \$322,000 (£212,000) to American Express, the credit card company.

The court was told that in about five months up to September 1978, Mr Adnan Hassan Sharbatly had run up debts totalling \$35,500 on his American Express green and gold cards. Interest on the sum amounted to \$114,623.

Mr Sharbatly also owed \$33,758 on an overdraft with American Express

full settlement of its claims.

The businessman also said that someone else had applied for and been issued with an American Express card in his name and had run up debts for which he was held liable.

The judge ordered Mr Sharbatly's solicitors not to part with the deeds of a flat in Warwick Avenue, west London, owned by Mr Sharbatly.

American Express denied that the payment had been accepted in appeal.

NOTICE OF REDEMPTION To the holders of Transco International N.V.

8.4% Convertible Subordinated Debentures due 1987

Conversion privilege expires at the close of business on March 13, 1987

Notice is hereby given pursuant to Section 103a of the Indenture dated as of December 1, 1980, between Transco International N.V., The Comptroller, Inc., and Manufacturers Hanover Trust Company, as Trustee, that all of the outstanding convertible Subordinated Debentures Due 1987 of Transco International N.V., Transco Companies, Inc. (now Transco Energy Company) ("Debentures") have been called for redemption on March 13, 1987 (the "Redemption Date") at 100% of the principal amount thereof ("Redemption Price").

Payment of the Redemption Price plus accrued interest to the Redemption Date will be made in cash or currency of the United States of America at the time of payment shall be legal tender for the payment of principal and private debts. Payment will be made by a check drawn on Transco International N.V., The Comptroller, Inc. or a transfer to a dollar account maintained by the payee with a bank in New York City.

The Redemption Price of \$1,000 per \$1,000 Debenture, together with accrued interest of \$24.75 per \$1,000 Debenture, shall become due and payable upon surrender of the Debenture to Transco International N.V., The Comptroller, Inc., either at 130 John Street, Suite 1001, New York, New York 10038, or by mail or by wire to Transco International N.V., The Comptroller, Inc., 130 John Street, Suite 1001, New York, New York 10038, or to Manufacturers Hanover Trust Company in Frankfurt, London and Zurich, or to Transco International N.V., Luxembourg, or to Banque Brussels Lambert in Brussels.

Interest will cease to accrue on the Debentures on the Redemption Date. All Debentures presented for redemption or conversion must have the December 1, 1987 and subsequent interest paid.

The Debentures are convertible into Common Stock of Transco Energy Company at the rate of 17.75 shares of Common Stock for each \$1,000 Debenture on or before the Redemption Date. At the close of business on such date, March 13, 1987, the right to convert the Debentures will be exercised by the holder of the Debenture, provided for conversion in accordance with the terms of the Indenture at any of the places of payment above.

No adjustment will be made for interest accrued on any Debenture that shall be converted or for dividends on any Common Stock that shall be issuable upon the conversion of such Debenture, except as provided in a dividend record date.

The closing price of Transco Energy Company Common Stock on January 30, 1987 was \$44.75 per share.

Withholding of 20% of interest on Debentures prior to any payment made within the United States of America or the United Kingdom, either at 130 John Street, Suite 1001, New York, New York 10038, or by mail or by wire to Transco International N.V., The Comptroller, Inc., either at 130 John Street, Suite 1001, New York, New York 10038, or to Manufacturers Hanover Trust Company in Frankfurt, London and Zurich, or to Transco International N.V., Luxembourg, or to Banque Brussels Lambert in Brussels.

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UK car prices 'among lowest in Europe'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CAR PRICES before tax in the UK are now among the lowest in Europe and, for those willing to shop around, the best deals available are those in Britain, the Society of Motor Manufacturers and Traders claimed yesterday.

The society recently compared pre-tax prices in West Germany, France, Italy and the UK to see what was the impact of the steep fall in the value of the pound last year.

Using a sample of 24 models from 11 different manufacturers, it found that last December's UK pre-tax price was the lowest in 71 out of 81 comparisons.

"Even in a country like Belgium, where the situation is distorted by governmental price control, the price differential — certainly on small and mid-range cars — is likely to be negated by the financial and other incentives available in most British dealerships," said Mr An-

thony Fraser, the society's director, yesterday.

He said the once much-publicised business in "personal imports" of cars from other EEC countries had practically disappeared because of the change in currency values.

Mr Fraser pointed out, however, that the movement in exchange rates could influence prices in either direction. "So I can only repeat my previous advice: if you are thinking of buying a car abroad, you should make sure that the car you order is to the same specification it would be in Britain."

"Also make sure you get a reasonable delivery date and, above everything else, watch the exchange-rate clauses in the contract."

"It is also important to make sure that any agent you choose to deal with is reputable. Many people are still smarting in the wallet from lost deposits caused by bankruptcy, incompetence or plain, old-fashioned dishonesty."

Government agrees to open secret files

BY PETER RIDDELL, POLITICAL EDITOR

THE public will have access to personal education, housing and social welfare records under the terms of an informal understanding reached between the Government and the sponsors of a private member's bill which is due to have its second reading in the House of Commons on Friday.

This would represent a significant extension to the public's rights to see confidential information already given by the Data Protection Act, which comes into full operation in November and applies only to computerised records.

The new Access to Personal Files Bill, which has all-party backing, applies to records kept manually and on paper. It would give individuals the right to see files on them kept by public authorities, employers and members of the professions.

The Government has reservations about the cost and speed of implementing the moves especially in respect of medical records.

After lengthy discussions involving the Home Office and government whips, Mr Archy Kirkwood, Liberal MP for Roxburgh and Berwickshire and the main sponsor of the bill, said yesterday the Government had indicated it was prepared to allow the second reading to proceed. But ministers reserved the

right to "trim some of the schedule" which sets out the areas in which the bill will give greater access.

In particular, this means that greater access will be limited to education, housing and social welfare records but will not be extended to social benefit, employment, banking, building society, credit and immigration records, except where these are already covered under the Computerised Record provisions of the Data Protection Act. To ensure that there is no extra cost to the Treasury, the Government is insisting on an access charge.

A Home Office spokesman said yesterday that discussions between Mr David Waddington, a minister of state at the department, and Mr Kirkwood, were so far "without commitment" and at this stage discussions were not resolved.

Mr Kirkwood said the bill's sponsors would continue to press for the inclusion of health records, and he pointed out that the bill would allow the Government to lay orders extending its scope.

Among its Conservative Party backers is Mr Steve Norris, the MP for Oxford East, who has played a close part in the discussions on the shape of the bill and who yesterday stressed that the Government was not opposed to the principle of the measures it contains.

NOTICE OF REDEMPTION

Warner-Lambert Company

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Due 1988

NOTICE IS HEREBY GIVEN that, pursuant to the terms of the Indenture dated as April 2, 1973 (the "Indenture") between Warner-Lambert Company (the "Company") and Irving Trust Company, as Trustee ("Trustee"), the Company has elected to redeem and will redeem on March 31, 1987 (the "Redemption Date"), all of its outstanding 4 1/2% Convertible Debentures Due 1988 ("the Debentures") at 100% of their principal amount plus accrued interest to the Redemption Date. Payment of such amount will be made at the office of the Trustee located at Irving Trust Company, 101 Barclay Street, New York, New York 10013, Attention: Corporate Trust Services, upon presentation and surrender of the Debentures, together with a duly executed Notice of Redemption, in the form of Exhibit A to the Indenture, to the Trustee. Debenture holders and their coupon may also be presented for payment on the Redemption Date at the main offices of Chemical Bank in London, Societe Generale de Banque S.A. in Brussels, Societe Generale de Banque S.A. in Paris, Societe Generale de Banque S.A. in Luxembourg, ABN-Amro-Hypo Bank N.V. in Amsterdam and Banque Generale du Luxembourg S.A. in Luxembourg (collectively, the "Paying and Conversion Agents"). On and after the Redemption Date, no interest will accrue on the Debentures.

Conversion of Debentures into Common Stock

The Debentures are presently convertible into the Common Stock, par value \$1.00 per share ("Common Stock"), of the Company at the conversion price of \$61.20 per share. The right to convert Debentures into Common Stock will be exercisable by the holder of Debentures by surrendering Debentures, together with all unmaimed coupons appearing thereon, to the Trustee at the address specified above or at the office of one of the Paying and Conversion Agents specified above, together with a written notice of election executed by the holder that the holder elects to convert such Debenture in accordance with the provisions of Article Three of the Indenture and specifying the name or names in which the holder of Common Stock, deliverable upon such conversion, shall be registered, with the number of full shares which shall be deliverable upon conversion at the close of business on the conversion date. If more than one Debenture is delivered for conversion at one time by the same holder, the number of full shares which shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of the Debentures so surrendered.

Payment of adjustment will be made in Debentures that are converted in respect of accrued interest on the Debentures up to the date of conversion. The Debentures will be converted into Common Stock at the conversion price of \$61.20 per share. The right to convert Debentures into Common Stock will be exercisable by the holder of Debentures by surrendering Debentures, together with all unmaimed coupons appearing thereon, to the Trustee at the address specified above or at the office of one of the Paying and Conversion Agents specified above, together with a written notice of election executed by the holder that the holder elects to convert such Debenture in accordance with the provisions of Article Three of the Indenture and specifying the name or names in which the holder of Common Stock, deliverable upon such conversion, shall be registered, with the number of full shares which shall be deliverable upon conversion at the close of business on the conversion date. If more than one Debenture is delivered for conversion at one time by the same holder, the number of full shares which shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of the Debentures so surrendered.

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UK NEWS

'Turning point' for components

BY JOHN GRIFFITHS

THE UK motor industry is at a "turning point," which should see rising production and profitability for the components sector although total new car sales are likely to diminish this year and next, the FT London Motor Conference was told yesterday.

Mr Bob Barber, investment analyst with stockbrokers Phillips and Drew, forecast a 20 per cent increase in the profitability of the motor components sector this year.

It would be helped by UK car production increasing by about 4 per cent as a result of Ford and Vauxhall sourcing more of their sales from their UK plants, said Mr Barber.

He said that a forecast doubling of the electronic content of US-produced cars, to 20 per cent of each vehicle's cost by the end of the century, would also grow, due to a rapidly increasing population of four to seven-year-old cars in 1989-90.

Such cars' specifications would include anti-lock braking, automatic ride control and traction control systems, in addition to electronic engine management.

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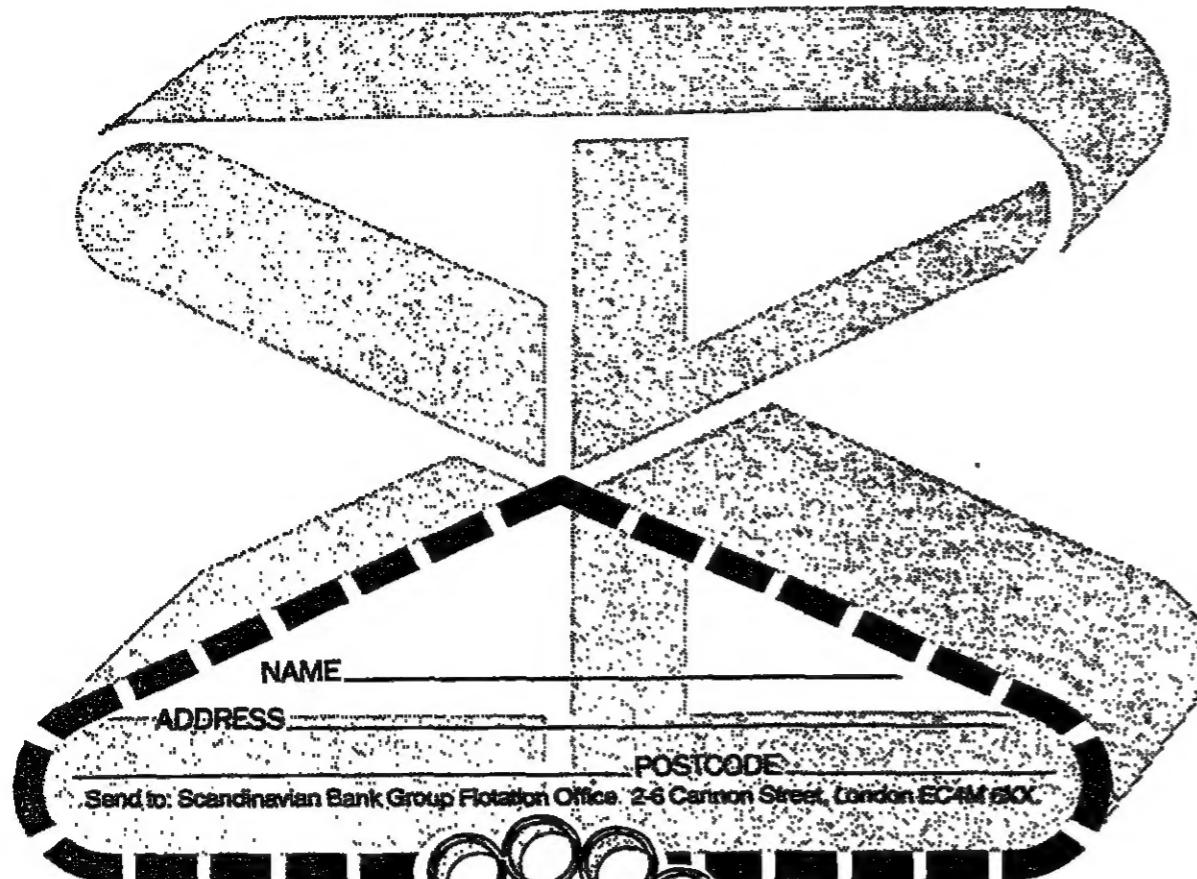
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1987 good reasons to see Thailand this year

Majestic temples and magnificent elephants, glittering roofs and garlands of orchids, enchanting people and exotic cuisine...one could write a long book about the land they call Thailand (and many seasoned travellers have). And never has there been a better year to see Thailand than 1987. For this is Visit Thailand Year in the Land of Smiles.

Among the kaleidoscope of festivities planned for 1987 you should try to catch some of these:

Feb. 13-15. Chiang Mai Flower Festival. A million blooms, a thousand smiles. One of the unforgettable moments of your life.

April 13. Songkran Festival. A nationwide water festival celebrating the Thai Lunar New Year.

May 9-10. Bun Bang Fai Festival. "Bang!" indeed. Held in northeast Thailand, a fireworks show like no other you've ever seen.

Oct. 16. Royal Barge Procession. An armada of brilliant colours, pageantry and rare splendour not to be missed.

Nov. 5. Loy Krathong. Celebrated nationwide, this is Thailand's loveliest festival.

Nov. 14-15. The Elephant Round-Up. Ever seen 100 elephants enact a medieval War Parade? You will if you come to Surin in northeast Thailand for this extraordinary display.

Nov. 22. Bangkok Marathon. A major sporting event commemorating His Majesty the King's 60th Birthday Anniversary.

Dec. 15. Light and Sound Presentation. A glittering occasion to be held at the Royal Grand Palace and the Temple of the Emerald Buddha.

These are only a small selection of the truly stunning special events that mark 1987 as Visit Thailand Year - a year full of festivities, flowers and fireworks.

Make your holiday plans now. And make sure you fly on Thailand's own airline, Thai International

Where the exotic sensations that are Thailand start from the moment you step on board.



UK NEWS

BR chief urges changes in rail supply industry

By KEVIN BROWN, TRANSPORT CORRESPONDENT

SIR ROBERT REID, chairman of British Rail, has called for changes in the structure of the European railway supply industry to speed up technological development.

In a speech to the Institution of Mechanical Engineers in London, Sir Robert appeared to advocate mergers among the largely private suppliers of railway equipment.

His comments appeared unlikely to be well received by British manufacturers. Mr David Gillan, director of the Railway Industry Association, described his speech as "a gross over-simplification".

Mr Gillan said informal discussions on the future of the industry had already taken place among manufacturers. But he questioned whether the chairman of the industry's largest UK customer should campaign publicly on the issue.

The UK equipment supply industry includes many companies, but the important traction and rolling sector is dominated by only four

companies, all of which have significant international reputations.

These are British Rail Engineering (Brel), Brush Electrical Machines, GEC Traction and Metro-Cammell. All four are already co-operating in the development of an international train for use in the proposed Channel Tunnel, and are expected to open talks with the French manufacturer Alsthom shortly.

Sir Robert said BR's policy of competitive procurement had succeeded in "spurring on suppliers to meet our needs both in technical and commercial terms".

But the size of the home market for railway equipment is rapidly shrinking. It is clear that the multiplicity of suppliers will not be able to survive in such circumstances. There are too many small producers who do not have adequate resources to develop new technology."

Sir Robert said the European automotive and aerospace industries

had benefited from the strength of the small number of companies involved, who were able to develop their technology rapidly.

"This makes me think that similarly in the railway field we should have a European scale of industry able to push railway technology forward at a more rapid rate to meet the new demanding business requirements," he said.

Sir Robert said the decision to go ahead with the Channel Tunnel, subject to ratification by parliament, presented a unique opportunity to British industry. Not only was there substantial work to be obtained, but the tunnel was a truly European project, and on the grand scale.

This was an opportunity for the British industry to form partnerships with other European companies to meet these requirements.

"I hope this will be the beginning of a European scale of supply industry for the railways," he said.

Belfast wins £28m in aid for inner city

By Our Belfast Correspondent

A £28m package of government aid to regenerate some of Belfast's worst inner city areas was announced yesterday by Mr Richard Needham, Environment Minister for the Northern Ireland Office.

It coincided with news that a £5m multi-storey car park, shop and office complex is to be built in the city by developers Ewart New Northern, creating 100 jobs.

The government aid will be provided under a three-year programme to be known as "the Belfast initiatives". It is expected to trigger significant private-sector spending.

Mr Needham said that infrastructure and associated works were needed in run-down parts of the inner city, including areas along the River Lagan.

He said the Government would set up "action teams" involving local communities to identify the main needs and to co-ordinate ways of meeting them. The first area selected for this treatment includes parts of Belfast which experienced most of the civil unrest of the 1970s.

Plan for river bus service on Thames

By KEVIN BROWN, TRANSPORT CORRESPONDENT

PLANS for a commuter river bus service on the Thames were announced yesterday by a company seeking to raise £10m through the Business Expansion Scheme.

Thames Line, which has the support of the Port of London Authority and the Thames Water Authority, said proving trials using two boats would start in the summer. Up to eight boats would enter service in 1988 between Chelsea and Greenwich.

Services would leave at 15-minute intervals, stopping initially at eight piers, including two at London Bridge and another on the Isle of Dogs, where a major office development is planned at Canary Wharf.

Thames Line said the journey time between Chelsea Harbour and the City of London would be 20 minutes, less than the equivalent journey by land transport. Greenwich to the City would take 12 minutes.

Services would be extended downriver to Woolwich and the London City Airport in 1989. Fares would be based on those charged by London Regional Transport, with flat fares of 50p in the inner zone.

The share issue, which offers full tax relief to investors prepared to retain their investment for five years, is underwritten for £2.5m by Johnson Fry, a licensed dealer in securities which is the UK's leading sponsor of BES issues.

The Daily Telegraph group, which is relocating from Fleet Street to the London docklands, has also invested £20,000 and plans to use one of the boats to ferry staff to its new offices in the Isle of Dogs.

Thames Line plans to use up to 45 per cent of the money raised through the share issue to develop riverside property, which, it says, will provide finance for future expansion of the river bus system.

Mr Robert Crouch, managing director of Thames Line, said the development of London's docklands

would create a large market for fast river transport.

Publishers protest at dearer newsprint

By Tony Jackson

BRITAIN'S newspaper publishers have protested strongly over a forthcoming increase in the price of newsprint. A recently announced rise of 3.5 per cent from June will bring the total to 18 per cent over eight months, according to the Newspaper Association.

Mr Bruce Matthews, of News International, speaking for the association, said: "I do not believe we can easily pass this increase on. Many advertising rate cards are being cut by 25 per cent or 30 per cent already."

The newspaper increase will require a rise of at least 1p in the cover price of popular papers such as the Daily Mail or Daily Express, he said, adding: "I don't believe the market can take cover price increases."

Scandinavian producers, led by Finland, announced the forthcoming increase from £365 to £400 a tonne earlier this month. It will follow a 6 per cent increase put through last October.

Producers have argued that UK prices are between 15 per cent and 20 per cent below some other European markets, partly because of the weakness of sterling.

UK and Canadian suppliers of newsprint have yet to follow the Scandinavian initiative, but are expected to do so. Mr Matthews argued that they did not have the same case for an increase, since UK costs had remained the same and the Canadian dollar had weakened against sterling.

"We believe that we should get a special price from the home producers," he said. "The Government has encouraged them through special grants and rebates, and we have given our support too." The UK industry had also lobbied on the Canadian industry's behalf to maintain its duty-free quota to the EEC, he said.

Mr Matthews said he could see nothing to justify the scale of the Scandinavian increase either. "If the home mills did not follow this increase, the Nordic producers would back off," he claimed.



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UK NEWS

Paul Betts and Andrew Taylor report on French dismay at UK Tunnel traumas

A dim view over the Channel

FRENCH PARTNERS in the Channel Tunnel project are clearly embarrassed by the latest problems on the English side. These include the resignation on Monday of Sir Nigel Brookes, chairman of Trafalgar House, the property and construction group, from the Eurotunnel board, a week after Lord Pennock said he intended to step down as the British joint chairman of the Anglo-French consortium.

As the fresh difficulties began to arise over recent weeks the French have, however, been portraying them as a British problem - or an "Anglo-British problem," as one banker closely involved with the project emphatically put it. It was up to the British side to resolve them, he said.

The French are anxious to avoid a re-run of the difficulties Eurotunnel had in raising £206m in an institutional share placing last October. A further £750m international share sale is planned for July.

The French blame the British for having initially been too optimistic about the institutional placing and not negotiating it tightly and rigorously enough to avoid a last-minute panic. The French found their side relatively smooth, having prepared the ground and formed a "tour de table," or the equivalent of an informal syndicate to place the paper.

One member of the French construction consortium said: "At the beginning, we thought Britain would clearly have the financial expertise in the project, while the French would lead the technical side. However, I think we have been mistaken, and the French

should also have led the financial side from the beginning."

Members of the French consortium acknowledge that they have not faced the same pressures as their British counterparts, because the Channel Tunnel has not provoked the same political passions in France.

The troubles in the UK are, none the less, seen as bad news for a project which will need all the good publicity it can get to make the £7.5bn placing a success. "The last thing we needed was a new problem in the UK which risks denting the tunnel's image if it is not resolved quickly and elegantly," one official remarked.

The French also find it ironic that London is now the main obstacle to the smooth launch of the venture. London is widely perceived in France to have sought to dominate the overall management of the project. Meanwhile, the Bank of England, closely concerned by the recent management upheavals, fears that the French will end up dominating the scheme unless a stronger British chairman can be found.

The French partners are keen to see Eurotunnel build up a strong public identity. "Eurotunnel still has to emerge as a credible company with its own individual identity and not just a grouping of partners. It's no mean task," another official said.

While the French partners point out diplomatically that the resignation of Lord Pennock is a British affair, there has been a feeling that it might be preferable to appoint a more charismatic and media-con-

scious personality to head the British side.

At one stage it appeared that Sir Nigel Brookes, who joined the consortium last October, might have been a candidate. One of the reasons for his departure from Eurotunnel has been the opposition of some of the British and French contractors, who resented his recent arrival on the board.

"He is proving the perfect manager for the consolidation phase of the project. He is pulling the French consortium together admirably," remarked a leading French banker. He also impressed British institutional shareholders at a meeting in London last month.

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As a member of the Royal Dutch Shell board and an old hand of the Anglo-Dutch oil group, Mr. Bernard appears to have been displaying his talents as a multilingual manager. He replaced Mr. Jean-Paul Parayre, formerly chairman of the Peugeot car group and now managing director of the Dumez construction concern, who played a significant role in promoting the tunnel project in its initial phases.

The French feel they are, in the words of one official, "getting their act together" and would like to see London do the same.

The French emphasise the importance of giving the consortium a solid image, of promoting the project to give it the prominence it still lacks in France, and ensuring that the banking syndicate arrangements are watertight before this summer's crucial public share offer.

As one Paris banker put it: "Selling the tunnel to the public won't be as easy as selling Paribas or Saint Gobain shares. The irony is that the French, for once, appear to be more phlegmatic than the British in this affair."

Meanwhile, there is satisfaction in Paris with the way the French

Rover Group sells Australian subsidiary

BY KENNETH GOODING

ROVER GROUP, the state-owned car maker, has sold its Australian subsidiary JRA to a management-led consortium for A\$86.5m (£25m).

However, Rover is to take 20 per cent of the new company formed for the buy-out, JRA Holdings. So its actual proceeds from the sale will be A\$55.25m. Jaguar, the car maker Rover sold back to the private sector two years ago, will also subscribe for 20 per cent.

The JRA management, including Mr. Phil Howell, the managing director, holds 15 per cent of the new company. This stake could be increased to 20 per cent if certain performance targets are reached over the next five years.

Other members of the buy-out consortium are Citicorp Capital Investors Australia and Byvest, a company formed to sponsor management buy-outs in Australia.

The price corresponds to the audited net assets of JRA at August 31 last year. Rover yesterday received A\$51.25m of the consideration, and A\$15m will be payable in 1989.

Apart from assembling Land Rovers and selling Rover cars (including the new executive Rover 800), Range Rovers, Jaguars and Leyland buses from Britain, JRA also sells Peugeot cars from France and Hino buses from Japan. It dominates the Australian bus and coach

industry through the Denning, Leyland and PMC marques which it assembled locally.

JRA has a volatile profit record. It made a taxable profit of A\$27.1m on a turnover of A\$247m in 1985, up from A\$21.8m on sales of A\$209m the previous year.

However, Mr. Howell gave a warning that 1986 profits would be hit by faltering demand for luxury cars in Australia after the imposition of a luxury car tax, a sharp increase in the price of imported cars caused by the devaluation of the Australian dollar and high interest rates.

The pre-tax profit for the 10 months to November 1 was A\$9.4m, and the audited net assets at the end of the year were A\$69.2m after the redemption of A\$12.5m of preference shares since December 1985.

Mr. Graham Day, Rover's chairman, reversed the previous board's decision not to sell JRA. It is the second Rover company to be disposed of since his arrival last May.

Arrangements are being made to sell Istat, the computer systems subsidiary, Linenell Radiator, a components producer, and Unipart, the spare parts business.

Rover is discussing with DAF of the Netherlands and Paccar of the US the possible sale of Leyland Trucks and the Freight Rover van operations.

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You now have the whole day in front of you. You can start your meeting bright and early. (That's the Scandinavian tradition.) What's

more, you can end it nice and late - you've already checked in for your flight and can leave for the airport at the last minute.

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ITALIAN INDUSTRY

Fiat and Hitachi launch assault on Europe's excavator market

BY NICK GARRETT

FIAT-HITACHI, the recently announced joint manufacturing venture between Fiatallis, the construction equipment division of the Fiat group and Hitachi of Japan is aiming to raise substantially the share the two companies hold in the European hydraulic excavator market.

The joint venture involves the setting up of a manufacturing plant at San Mauro near Turin to produce 2,500 excavators a year, though the facility will have the capacity to produce up to 3,000 units.

Fiatallis and Hitachi each sell about 800 excavators a year in Europe, but Mr Gian Carlo Vezzalini, chairman and managing director of Fiatallis said the intention was to sell 2,000 units in total in Europe once the plant comes fully on stream in 1989.

This implies that Fiat-Hitachi intends taking market share off Poclain, the French offshoot of Tenneco, the US group, and the three West German producers Liebherr, Orenstein and Koppel, and Atlas.

Fiatallis has 25 per cent of the Italian hydraulic excavator market at present, but only around 5 or 6 per cent of the rest of the European market.

The joint venture, which follows the imposition of 12 per cent EEC anti-dumping duties on Hitachi excavators two years ago, is one of a number recently signed by major construction machinery makers.

These include that between Caterpillar of the US and Mitsubishi, which merges their hydraulic excavator ranges, and between Komatsu and the Brown group in which Brown will manufacture some of its



Gian Carlo Vezzalini: "Venture gives Fiatallis access to Hitachi's technology."

Many range of articulated dumpers to be sold under the Komatsu name. Komatsu has also begun to produce from a new facility in the UK a range of six hydraulic excavators from 12 to 30 tonnes.

San Mauro—51 per cent owned by Fiat and 49 per cent by Hitachi—will manufacture 10 Hitachi-designed excavators, seven with crawler tracks ranging from 12 to 45 tonnes and three-wheel mounted models from 12 to 18 tonnes. Fiatallis says the excavators to be sold under the Fiat-Hitachi name, will have more than 80 per cent EEC content with some of the

hydraulics being the only significant engineered product brought in from Japan.

Hitachi will continue to make excavators in Japan, both in its 12 to 45 tonne range and its mini excavators under 8 tonnes. Fiatallis, however, will phase out next year its existing range of rather outdated models of which it has been producing about 1,000 a year. Its total output will come from the San Mauro facility which will employ 800.

The new company, with a forecast yearly turnover of \$180m, will have exclusive marketing rights for its range of hydraulic excavators in Western Europe, the Mediterranean countries and Africa, except South Africa.

In the Soviet Union, Eastern Europe, the Middle and Far East, Fiatallis and Hitachi will sell under their own brand names with Hitachi having exclusive rights in Japan and a large part in Asia.

In the US, excavators manufactured at San Mauro will be marketed by Fiatallis. Hitachi will also continue to sell direct into the US and will continue to supply hydraulic excavators to John Deere, which, with American engines and other US-made components, are sold as John Deere machines.

Worldwide demand for excavators in 1985 was 48,000 units of which 21,000 were sold in Japan.

Fiat-Hitachi has already begun to merge the Fiatallis and Hitachi dealer networks in Europe. These dealers will have a third of the market, Fiatallis claims 5 per cent of the market with its range of 70hp to 350hp models.

German court orders bank to disclose more

BY A. H. HERMANN, LEGAL CORRESPONDENT, IN KARLSRUHE

A DEFEAT suffered by the Deutsche Bank in the German Federal Supreme Court last week is bound to result in a greater transparency of bank balance sheets and profit-and-loss accounts in West Germany.

It is also likely to harden the ban on German companies dealing in their own shares.

Deutsche Bank—West Germany's largest bank which controls an important industrial empire—was sued by one of its shareholders, who contested the validity of the annual meeting's approval of the bank's annual accounts on the grounds that the board had refused to provide complete information about its industrial investments and the bank's acquisition of its own shares.

The court confirmed the shareholder's claim on both counts thus driving a coach and horses through the present

assumptions about the limited disclosure requirements for German banks.

Repeated attempts to restrict large industrial holdings by German banks, and by Deutsche Bank in particular, spearheaded by several recommendations of the German Monopolies Commission, has so far had only modest success. However, from January 1, 1986, such "participation" together with the bank's own property assets must not be greater than the paid-up capital and disclosed reserves taken together.

There is a statutory assumption that a holding of more than 20 per cent of equity in a non-bank is "participation" and not just a part of a transient portfolio of securities. Until now, a bank could disprove this statutory assumption by a simple declaration that it did not intend to hold the shares as a permanent asset. This enabled banks to classify "participations" as "securities" even a 50 per cent interest held over several decades could be submerged in the securities account in this way.

The court put an end to this cosy arrangement. Banks will have to show objective reasons why a holding of 25 per cent or more should not be considered a "participation."

The decision will also cast some light on the notoriously obscure profit and loss accounts of German banks. These are allowed to aggregate profits and losses from dealing in securities—but not those resulting from participations—with the results of its credit and other banking operations. The decision will oblige banks to disclose the results of banking business proper, on the one hand, and of industrial invest-

ments, on the other, separately. The second unanswered question of the dissatisfied shareholder called for explanation of the bank's share buy-back.

This is, in principle, prohibited to all companies, with certain exceptions narrowly defined in Section 71 of the Companies Act. Particularly, a buy-back may be justified by the need to avoid an immediate threat of damage to the company.

The board of Deutsche Bank answered the shareholder's question by recalling the text of Section 71. The supreme court said that this was not enough. The board had to spell out the actual reasons which led it to acquire its own shares so as to enable shareholders to form their own opinion whether or not section 71/1/1 was satisfied.

Particulars of the Notes are available in the Excel Statistical Services. Copies of the Listing Particulars may be obtained during normal business hours on any weekday up to and including 20th February from the Company Announcements Office of The Stock Exchange and up to and including 4th March, from—

S.G. Warburg Securities,
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18th February, 1987

FINANCIAL TIMES INSURANCE AND INSURANCE BROKING

The Financial Times proposes to publish an in-depth Survey on Insurance and Insurance Broking on April 4, 1987. Among the subjects reviewed will be:

1. The major world Insurance Markets
2. Profiles on major International Direct Insurers and Insurance Brokers
3. Information Technology
4. Leading Analysts views on trends within the Industry
5. Life Assurance and Pensions

For more information about advertising in this Survey and a copy of the synopsis, contact Brian Kelaart, David Reed or Michael Bamford on 01-248 8000, extensions 3266, 3461 and 4008. The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

FINANCIAL TIMES
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Outstanding Principal Amounts of

U.S. \$75,000,000	15 1/2% Floating Rate Notes due 1993	U.S. \$3,130,000
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(collectively, the "Notes and Debentures")

NOTICE IS HEREBY GIVEN that as a result of a holder of a 5% Note 1980-1986 of Dome Petroleum Limited in the amount of 50,000 Swiss Francs which was due on October 31, 1986 having commenced legal proceedings to enforce payment thereof, the waiver contained in sub-clause 2(b) of the Second Supplemental Trust Deeds and Indentures dated as of 28 October, 1986 in respect of the Notes and Debentures has terminated.

Dome Petroleum Limited is continuing to develop a Restructuring Plan with its lenders. Although the plan is yet to be finalized, details of the plan will be made available to the Holders of the Notes and Debentures for the purpose of the meetings which will be called to consider and, if thought fit, approve the plan.

Dome Petroleum Limited
Dated 18 February, 1987

A FINANCIAL TIMES SURVEY BASINGSTOKE

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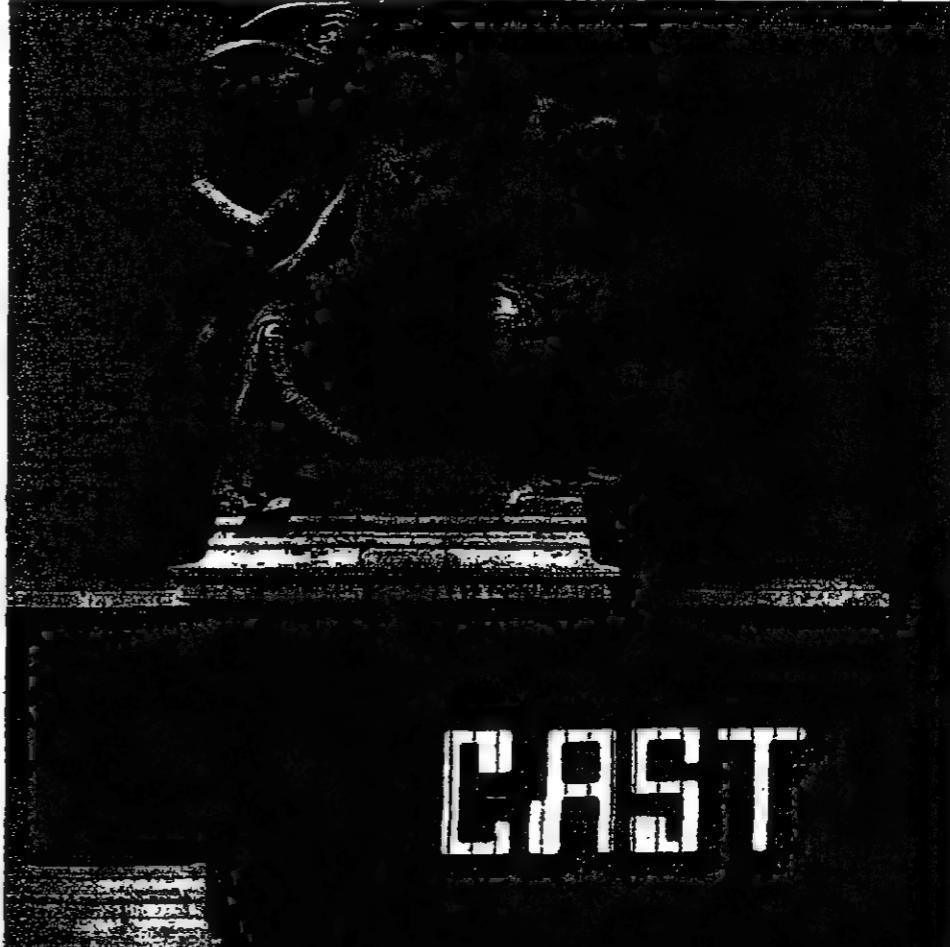
Application has been made to The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the Notes (in the denominations of A\$1,000) to be admitted to the Official List. Interest is payable annually in arrears on 6th March, the first such payment being due on 6th March, 1988.

Particulars of the Notes are available in the Excel Statistical Services. Copies of the Listing Particulars may be obtained during normal business hours on any weekday up to and including 20th February from the Company Announcements Office of The Stock Exchange and up to and including 4th March, from—

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TECHNOLOGY

Putting versatility on the map

James Buxton explains how John Bartholomew has computerised an age old art

NOW that monks no longer make illuminated manuscripts, there is probably no information transfer document that is more labour intensive than a map made by traditional methods.

John Bartholomew and Son, an Edinburgh-based subsidiary of Mr Rupert Murdoch's News International group, has been making small scale maps and atlases of Britain and the world for 161 years. Until very recently, even using the most refined version of traditional technology, it would have taken Bartholomew about 10 years to produce a new edition of the Times Atlas, which is one of its best known products.

But now, thanks to micro-computers and an adaptation of computer-aided design technology which Bartholomew has recently installed in its cartography studio, it would be possible to bring out a new edition of the Times Atlas in less than a year and a half. The new technology opens up enormous possibilities for the making and marketing of maps.

Under the traditional map-making process, any change in the basic information on a map — such as an altered boundary, a new motorway or a newly built housing estate — has to be transferred by hand onto the transparencies or films which go to make up a map. Each film covers a different layer of information, such as contours, communications, coastlines and so on. Place names, however, are also put in by hand.

This work of updating maps is extremely laborious, and the information is often out of date by the time the process is complete. Furthermore, making a new map with a different scale of an area for which a map already existed means starting from scratch — redrawing all the details onto new films.

Bartholomew also found that as films were repeatedly updated, some of the detail became eroded; for example under a magnifying glass it could be seen that some of the thin black lines enclosing the coloured line of a road on the company's one kilometre to one centimetre series of Great Britain had become fragmented. In the end the only remedy was to completely redraw the map on a new set of films.

Two years ago the company introduced an Apple micro-computer system and began the process of building up a digitised database from existing



Computer-aided design at work in Bartholomew's Edinburgh cartography studio. The time it takes to produce a new edition of the company's most famous product, the Times Atlas, could be cut from 10 years to 1½ years.

and updated maps. Then a year ago it installed an Israeli-made Sciter Response system which, using the techniques of computer-aided design, creates visual symbols from the digitised database.

The different layers of information still exist, but instead of being on film are simply coded digitally. The operator can tap out what data he wants to make a map, composing it on a screen. Instead of numerous films, only four or six are needed — one for each of the four or six colours used in the printing process.

Updating and revising is now a speedy and simple matter of typing in the data on a screen and keyboard. A map of any scale can be produced from the same data. The database subject to the usual precautions against accidental erasure, is very different from that used, for example, by making the built-up areas green, the parks yellow and the roads blue. Thus Bartholomew can produce different maps of a city that could include exactly the same data for two different clients —

There are other advantages. The traditional map of the world usually has Greenwich in

a hotel and a filling station chain, for example. Alternatively there could be a range of maps of different scales showing very different types of information.

The only element of the map preparation process that has not been computerised is the putting in of the place names. The art of inserting the names in such a way as to produce an elegant and readable map has not yet been digitised to Bartholomew's satisfaction, and until it is — perhaps within a year or so — this function will still be done by hand.

While the system churns out new and updated maps, the work of digitising existing data goes on. An operator goes over the map with a cursor, feeding in the data for every coordinate. "Most of Britain is now in the database," says Robin Orr, Bartholomew's cartographic director, "and we are now beginning to digitise the world atlas." Although Bartholomew's 43-strong cartographic staff feared that the new process would lead to job losses, employment has stayed the same, partly because of the new opportunities the system provides.

Bartholomew is the first maker of small scale maps in Britain to be using this new technology, although the Automobile Association in the UK is bringing a system into use, and the Ordnance Survey is gradually digitising the whole of Britain. Computerised map making systems are in use in the US, Sweden and Switzerland.

By allowing map-making to become more economic, the new technology ought to make possible big increases in the output of maps and cut the cost of their production. Mr Orr, who says that Bartholomew's map division has annual sales of about \$5m, sees new possibilities in producing bespoke maps for specialist clients such as airlines and road haulage companies.

"In the past," he says, "it has been difficult to make map-making profitable. Maps have been sold too cheaply for the amount of work that went into them and people have held onto them long after they have become out of date, reluctant to throw them away and buy a new one." He is looking for the new system to allow Bartholomew to take a "more aggressive" approach to marketing.

The centre, with the split in the globe occurring round the international dateline between North America and the USSR. To redraw the globe for the Pacific Basin, which means putting the split down the Atlantic, would previously have meant redrawing the entire map. Now, however, Bartholomew can produce such a map by using the computer to rearrange the existing data.

The system also gives the company greater flexibility in the use of colours. A city plan can be produced with the built-up areas in brown, the roads yellow and the parks green.

But with the colour of a few buttons, it is possible to produce a very different looking version of exactly the same map, for example, by making the built-up areas green, the parks yellow and the roads blue. Thus Bartholomew can produce different maps of a city that could include exactly the same data for two different clients —

WORTH WATCHING

Edited by Geoffrey Charlish

Oracle of advice for Marks staff

BACK IN 1977, the UK Independent Broadcasting Authority (IBA) suggested that private data could be sent to individuals over its Oracle teletext service. Now, the idea has been brought to fruition by Marks and Spencer, which is using the service to broadcast operating information to 180 of its stores.

Normally, Oracle broadcasts information "pages" along with the TV programmes, filling unused, unseen scan lines at the top of the picture with coded data. Users with appropriately equipped TV sets can use a keyboard to screen up any of the pages on screen instead of normal TV programmes.

M&S is using a system developed by IBC Communications of Portsmouth. This uses the same teletext technique, but codes "private" frames so that M&S data can be seen only by M&S employees.

Compared with multiple telephoning, the technique is a cheap way (37p per 1000 characters) for any company

with many outlets or offices to send updated information on pricing or marketing policy for example.

Updating is carried out on special display terminals at M&S headquarters and goes by land-line to IBC formatting equipment and then to the IBA transmitters. At each receiving location, a decoder processes data that up to 16 TV sets can display.

Low-cost guide to CD-ROM potential

THE UK National Centre for Information Media and Technology (Cimtech) at Hatfield Polytechnic has published a report on CD-ROM (compact disc read only memory).

The 250-page report

How Jaguar tells where faults lie

PRODUCTION LINE inspection techniques have been completely revamped at Jaguar Cars in the UK, where the inspectors are now walking round wearing headsets instead of carrying clipboards.

The system produces quicker and better fault rectification with less disruption to production and fewer warranty claims.

Until recently, an inspector would note faults on a quality report card. This would then be taken to the shop floor locations where fault rectification was to be carried out.

Now, in a system put in by UK computer systems house Logica, the inspector is given inspection sequences through his earphones from a speech synthesiser in a computer. He then speaks back into the computer to record faults which are rapidly fed back to monitor screens in those parts of the factory that need the data.

All the appropriate monitors get the information at the same time by means of a data broadcast system similar to teletext, the BBC and IBA television broadcast data system.

IBM personal computers are used on the shop floor for the speech-driven inspection function, while Logica hardware provides teletext on the assembly line TV monitors.

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IMI plc,
Birmingham, England

PABX (private company exchange) involved, Philips will guarantee to have one of its Sepho-S exchanges up and running on the site within 24 hours.

Lasting taste from an opened bottle

OPENED BOTTLES of wine cannot be kept too long without the flavour changing. This is because the air in the space above the wine causes it to oxidise.

A Dutch company, Vacu Products of Delft, has developed a simple but effective answer to this problem with its Vacu Vin, a small hand-operated vacuum pump that fits into the top of the bottle in place of the cork. A few up and down pumping strokes removes most of the air. The vacuum is held, it is claimed, for at least two or three weeks.

The unit consists of only five plastic and synthetic rubber parts and is easily sterilised. Vacu Vin is expected to sell in the UK for £2.50 to £2.80 when it comes on to the market in April. The UK agent, Allan Milner Enterprises of Teddington, Middlesex, will deal with licensed trade outlets, supermarkets, department stores and mail order companies. Similar agencies are being set up throughout Europe.

CONTACTS: IBC Communications: UK, 0705 370472; Vacu Products, Holland, 030 540 00 00; Apple Macintosh, London, 087 3116; Cimtech, London, 089 7105; Logica: London, 087 0722; Philips Business Systems: UK, 0208 781515; Rommels, UK, 0628 74342.

Amstrad fires micro boom in UK

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We invest in industries providing basic goods and essential services to proven markets. Thus, our shareholders are spared the hazards of changing fashions and leap-frogging technology.

3. ALWAYS CONSIDER THE DOWNSIDE RISK.

When considering an acquisition, our first question is "How much could we lose if it all goes wrong?" And if the answer makes us nervous, then we don't proceed.

4. AGREE BUDGETS WITH OPERATING COMPANIES.

BUT NEVER INTERFERE DAY-TO-DAY.

If an operating company wants to develop a new product, or, indeed, paint it sky blue pink, that's fine by us. They simply tell us the cost, the benefits and the attendant risk.

Provided we agree their budget, it will then be up to them to come up with the goods as promised.

5. REWARD EXCELLENCE.

We all need a little motivation in this life.

Thus our share option scheme is reserved not for a chosen few, but spread widely amongst managers throughout our operating companies.

Furthermore, when any one of them turns in an exceptional performance they receive an equally exceptional bonus.

Now you know the secret of our success. But if you wish to emulate it, you'll have some catching up to do.

For 23 consecutive years we have turned in record profits, and last year's reached £464,000,000.

So those rules of ours are indeed golden ones.



H A N S O N T R U S T

A company from over here that's also doing rather well over there.

MANAGEMENT

VG Instruments

The man who inspired an empire of entrepreneurs

Peter Marsh reports on the unusual common factor behind a diverse group of companies

ONE OF the few undoubted UK high-technology success stories of the past two decades is VG Instruments, a Sussex-based maker of scientific instruments. The concern, which celebrates its quarter century this year, has splintered into 18 subsidiaries, and in 1985 had sales of £66m, of which £14m was profit.

Much of the credit is due to Bernard Eastwell, the company's managing director and joint founder. Eastwell is a quietly spoken, highly entrepreneurial figure renowned for his quick decisions and for his ability to spot profitable commercial opportunities.

At the core of Eastwell's philosophy is the so-called "product champion" concept by which people within his company are given responsibility to move into novel areas of technology, ultimately taking over the running of a new subsidiary set up to exploit the ideas.

In this way, the 1,600-person VG has moved rapidly into new fields including microscopes, semiconductor equipment, data communications, surface analysis software and mass spectrometers. As part of the process, VG has expanded geographically, setting up during the 1970s a series of subsidiaries in the Cheshire area to complement its activities in Sussex. The company is also a renowned exporter, selling four-fifths of its products overseas.

A less well-known part of the VG story is that the instrument maker has been an unusually fertile breeding ground for new high-tech companies, set up outside the VG empire. Ex-VG employees have started no fewer than 21 such concerns, most of them in the past 10 years. Many of the companies sell similar types of instruments to those developed by VG, while others have branched into new areas such as electronics or general engineering.

VG sets out to instill in its employees entrepreneurial attitudes which, fairly often, lead these people to take the plunge in starting on their own. At the

THE EXTENDED FAMILY

SPIN-OFFS
Hidden Analytical, Warrington, Instruments.
Leis Engineering, Burgess Hill, Instruments.
Semquip, Burgess Hill, Vacuum products.
Horizon Instruments, Heathfield, Instruments.
Europe Scientific, Crews, Instruments.
Mass Analyser Products, Wigan, Instruments.
Lytch Technology, Newcastle, under Lyman Instruments.
Cryogenic and Vacuum Technology, Milton Keynes, Vacuum products.
Cambridge Mass Spectrometry Instruments.
CJS Sciences, Middlewich.
VG Scientific, Middlewich.
VG Scientific, East Grinstead.
VG Semicon, East Grinstead.
Sales and support companies in US, West Germany, Instruments, Gamec, Hastings, Engineering, Autolec, Hastings, Electronics.
* Spin-off which is now part of VG Instruments group.

same time, the strain of working for a thriving, fast-moving organisation has led to many employees leaving, or being persuaded to leave, and opting for a quiet life working for themselves.

Gaining a job at VG seems to produce schizophrenic effects. Many VG alumni found themselves at the company exhilarated. "VG has been at the forefront of technology and has done more for UK industry than people have appreciated," says Alan Barndine, managing director of Burgess Hill-based Leis Engineering. Barndine, who started his firm in 1982 after 14 years with Eastwell's company, recalls: "It was a good training ground for running your own business."

Others remembered mainly the stress. "The company's incentive scheme was fear of the sack," says Mike Lynch, who left to form Mass Analyser in Wigan, Lancashire.

Ron Ferguson, who worked for VG for 12 years and now runs Cryogenic and Vacuum Technology in Milton Keynes, says of his former employer: "It was

a very energetic company. You would either get burned out or fired."

Michael Dent, who was at VG for 10 years and is now managing director of Spectramass, a maker of mass spectrometers in Congleton, Cheshire, explains VG's approach: "They find good technologists and give them financial backing. The company manages to strike an incredible balance between motivation and the atmosphere that was created."

Two particularly senior people among the VG alumni are Dr John Waldron, a former chairman of the group who left in 1976, and Dr Peter Williams, who was deputy group managing director.

Waldron is now chairman of Spectro International, a £25m turnover scientific instruments concern in Manchester, and Williams is chief executive of Oxford Instruments, successful high-tech company in Oxford which specialises in cryogenic and magnet technology and semiconductor equipment.

Both men, who left to join established concerns rather than set up their own companies, say they admire VG for

its since retired—in a couple of garages in Gravetye. Both men had worked for Mullard, the UK electronics company owned by Philips of the Netherlands. Until 1978, Eastwell was the majority shareholder in the company. Following a decision by the directors to sell most of their shares, the company is now controlled by RAT, the tobacco conglomerate.

Eastwell is clearly a complex figure. Some former employees remember him as a rather pleasant figure for his rather easygoing manner. Others recall his personal charm. Eastwell once offered a lovely technician, working late a long way from home and without a hotel room, the use of his caravan. Another person, at the time extremely hard-up, was told he could borrow money from the company to buy a house.

Many ex-employees talk of the hectic pace at the VG companies, with 12-hour days the norm. John Hollands, a VG veteran of 21 years who left in 1985 to join Intech, a Middlesex-based instruments company, recalls: "Eastwell's 'magnetism' which dragged you into working as hard as he did."

Dr Barry Griffiths, who spent four years at VG and is a joint founder of Cambridge Mass Spectrometry, says: "I worked long hours, not because I was told to, but because of the atmosphere that was created."

What does Eastwell himself think of the large number of offshoots? "We were mostly sorry to see these people go. They left holes." He admits "it is possible to overdrive people" by subjecting them to "such great pressure. On the other hand," says Eastwell, "there is some satisfaction there in seeing how we have stimulated people into becoming entrepreneurs themselves."

Outside observers feel too many defections from a single company can hurt the concern's business, simply because of the draining effect on a large amount of talent. Philip Modiane, a consultant for McKinsey who studies high-technology companies, notes that "successful companies often have obsessively committed managements which sometimes cause splintering."



Bernard Eastwell: satisfaction from seeing how he has stimulated people into becoming entrepreneurs themselves

its results. Williams, who left five years ago after an argument with Eastwell, says: "I take my hat off to them. They are one of Britain's success stories." But both have their doubts about the company's management style.

"Logic and reason did not always count" when discussing business decisions with Eastwell, according to Waldron, while Williams thinks that Eastwell was sometimes "autocratic and not the company splintering from VG" held them back a bit."

What does Eastwell himself think of the large number of offshoots? "We were mostly sorry to see these people go. They left holes." He admits "it is possible to overdrive people" by subjecting them to "such great pressure. On the other hand," says Eastwell, "there is some satisfaction there in seeing how we have stimulated people into becoming entrepreneurs themselves."

Another reason for the success of VG, though, must be the personal drive of Eastwell, which few of his ex-employees either want to or seem able to match. "Make no mistake, we all burn the midnight oil," says Michael Gaffney, who was at VG for 12 years and is now managing director of Gamec Engineering, in Hastings. "But often have obsessively committed managements which sometimes cause splintering."

BUSINESS PROBLEMS BY CHRISTOPHER LORENZ

Profits into pension

I am a self-employed contractor in the building industry and my year ending October 1985 showed a net profit of £19,250; October 1986 shows a net profit of £58,000.

I do not expect to have another year as good next year, and the best my bank seems to be able to come up with as a tax saving exercise is a pension plan, which I can put up to £19,000 into by back-tracking over the past six years giving me £11,300 tax relief.

This plan becomes difficult if I go limited in the foreseeable future, and it would also be difficult but not absolutely impossible to find this amount of money, bearing in mind trade debtors of around £23,000 at any time.

Whilst your past trading year has finished and there may be little that you can do in respect of the year's profits earned in a self-employed contractor do strongly recommend that you convert your business into a limited company—which should only cost you about £200.

You could own virtually all the shares and be the sole director but apart from the advantages of limited liability you could establish a small self-administered pension plan into which you could pay (depending on the salary and bonus you take out of the company) more if not all your profits at

the level you are discussing. The Inland Revenue permits you to borrow up to half of this fund which could cover the cash flow points to which you refer. Your fund could also invest in premises to be leased to your business.

We do warn you, however, against the large number of people who are now selling insurance hybrids and various imitations of the small self-administered pension plans so arranged as to enable vast amounts of commission to be paid to the person or organisation that gets its foot in your door. We recently heard from a reader who paid a first contribution of £60,000 into a scheme which he thought was a small self-administered scheme only to find that £32,000 of this money had been paid out to the salesman and after the insurance company had taken a cut for its overheads he was offered a mere £20,000 transfer value the following year when he had made up his mind to convert to a genuine self-administered scheme.

Make sure therefore that before you get locked in to any contractual arrangement that nothing is taken out of the money in your fund and that your company pays as above board fees (as opposed to hidden charges) to the specialist organisation that sets up your scheme.

No legal responsibility can be accepted by the Financial Times for any answers given in these columns. All inquiries will be answered by post as soon as possible.

Business courses

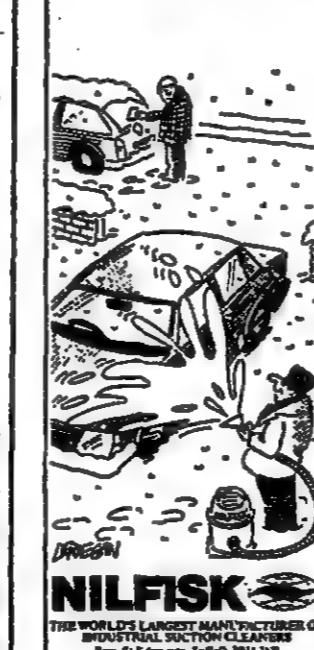
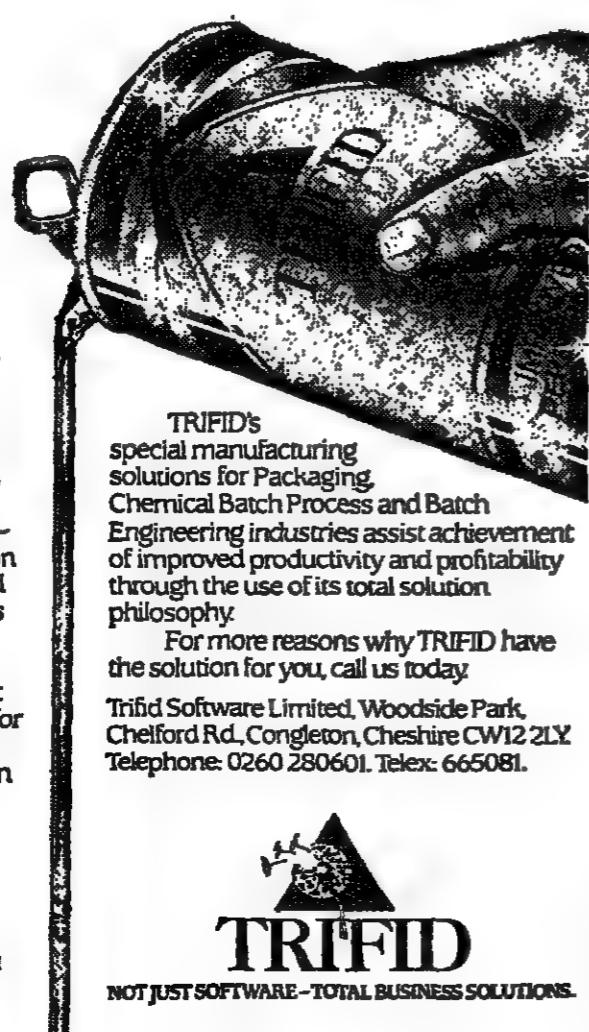
Second intensive Japan briefing for the European executive, London, April 5-10. Fee: £175 + VAT. Details from Marketing Improvements, The Programme Secretary, 17 Ulster Terrace, Outer Circle, Regents Park, London NW1 4PJ. Tel: 01-487 5511.

Getting results in sales training, London, April 8. Fee: Members of IM £120 + VAT; non-members £140 + VAT. Details from IM Marketing Training, Moor Hall, Cookham, Maidenhead, Berks SL6 9QH. Tel: 06283 24922, ext 29. Offshoots from VG which sell scientific instruments have found it harder to compete with the giants of the industry because they set up later. The latest, from Warrington and Finsbury of the US and Lebold-Herford of West Germany, all of which, interestingly, have tried to buy VG.

How far will you go for total quality? International study tour: Japan/USA, March 8-21. Fee: \$4,950 + VAT per person (10 per cent deposit payable in advance to secure place). Details from Sandra Macleod, Tour Co-ordinator, PA Management Consultants, Bowater House East, 68 Knightsbridge, London SW1X 7LJ. Tel: 01-588 7050. Telex: 295801. Fax: 01-588 2498.

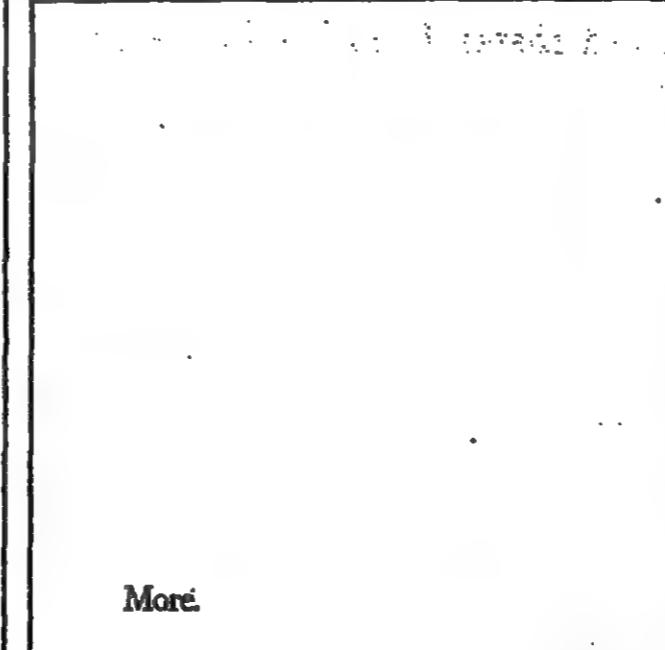
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BEERS, WINES & SPIRITS

July	Mar	Allied-Lyons.....
Feb	July	Bass.....
Jan	Aug	Bethaven Brewery.....
May	Oct	Boddingtons.....
Aug	Feb	Brown (Matthew).....
Jan	July	Buckley's Brew.....
Sept	Mar	Bulmer (H.P.) 5p.....
Feb	Aug	Burtonwood Brewery.....
Apr	Oct	Clark (Matthew).....
Jan	July	Denensis (J.A.) 5p.....
Feb	July	Do 4.5pc Cv 2nd Pf.....
Aug	Jan	*Eldridge, Pope 'A' £1.....
July	Feb	*Fife Smith Tm 1 £1.....
—	Aug	Greenall Whitley.....
Feb	Feb	Do 5.95pc Cv £1.....
Aug	March	Greene King.....
Jan	July	Guinness.....
Apr	Oct	Do 5.4pc Cv 1/2 Pf.....
Jan	June	Highland Dists. 20p.....
Oct	May	Invergordon Dists.....
Dec	July	Irish Distillers.....
Nov	Apr	Macallan-Glenlivet.....
Aug	Oct	Macdonald Martin 'A'.....
Jan	Sept	Marston Thompson.....
Jan	Oct	*Merrydown Wine.....
July	Jan	Morland.....
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Is the F.T. misleading its readers?

Far be it from us to call into doubt the integrity of our foremost financial organ.

But the question must be asked: is it right to classify Whitbread shares under "Beers, Wines and Spirits"?

In a way, of course, one cannot fault the F.T.'s logic.

Brewers we certainly are.

But merely brewers we certainly are not.

For the Whitbread of today is vastly different from the Whitbread of yore.

So if our listing should be listed elsewhere, then where, pray, should that be?

HOTELS AND CATERERS?

A most worthy contender, this one. For there can be few empires that equal the one we have built in recent years.

We have 30 Coaching Inns and 8 other hotels.

We have 40 Roast Inn carvery restaurants. And we have more.

Throughout the land we have 183 Beefeater Restaurants plus, in a joint venture with Pepsico, over 100 Pizza Hut restaurants.

And we are opening a new one, on average, once every 10 days.

Furthermore, we have the UK franchise for TGI Fridays, the phenomenally successful US restaurant chain.

Our first outlet, in Birmingham, has proved a remarkable money-spinner and plans for new

outlets in the London area are well-advanced. So "Hotels and Caterers" it is then?

Then again, perhaps it's not.

LEISURE?

Aha. This could well be it.

For we are, would you believe, the largest Country Club operator in the land.

We currently have 5 magnificent Country Club Hotels. And a further two are now being developed.

Each one offers its clientele a cornucopia of sporting delights: from swimming pools and saunas to snooker rooms and squash courts.

(Three even have their own 18-hole golf course. And one, the St. Pierre, has two of them.)

Equally athletic pursuits can also be observed nightly at our Aureon discotheques.

We opened our first 4 years ago.

We now have 42, putting us into second place in the market.

And therefore, perhaps, into the "Leisure" sector? But wait.

FOOD, GROCERIES?

At first sight, not the likeliest of candidates.

Until, that is, you consider the following fact: each week our pubs, clubs, hotels and restaurants serve something in the order of 3 million meals.

And while you digest that one, consider too our Thresher off-licence chain.

With 800 branches and over a million customers a week, their sales of snacks and confectionery are certainly not small beer.

Well, what do you think? "Food and Groceries" is it?

BUILDING, TIMBER, ROADS?

Over the last 3 years, we have been opening new venues at an average rate of 10 a week.

Thus we have our own architects. Our own interior designers. Our own site supervisors.

The fact is, we invest some £100 million a year in building and refurbishment schemes.

Enough, surely, to justify our inclusion under "Building, Timber and Roads".

PROPERTY?

If you have never considered us a property company, our balance sheet could well prompt you to do so.

Our assets in bricks and mortar are valued at some £1,000 million.

On this magnificent sum, we rest our case.

Now you have the facts, what's your verdict? Quite a quandary, isn't it?

And opinions will doubtless differ as to whether our listing should move, or where it should move to.

But one thing cannot be denied: Whitbread is indeed moving ahead at a cracking pace.



THE ARTS

Television/Christopher Dunkley

Dirty tricks with little bits



Some of the cast of "L.A. Law"

Never judge an American drama series by the two-hour "special" which introduces it. Either the special is a one-off which proved so good that a whole series was commissioned, in which case the special will almost certainly be better than subsequent episodes, or else a series will have been planned and then a special commissioned to launch it, in which case the opening episode will be overstretched and considerably worse than subsequent episodes. Either way the special will be unrepresentative.

In the case of *L.A. Law* it looks as though we are dealing with the second circumstance. The long, overblown episode squandered a lot of familiar plotlines: too many characters were introduced, and too many subplot red herrings released. Yet the trademark of the series' creator, Steve Bochco, is already evident. His *Hill Street Blues* triumphed by depicting the police as neither saints in blue serge nor cynical pigs, but as diverse human beings attempting to do an impossible job. Similarly *L.A. Law* has already established that although the legal system may be a desperately and sometimes woldingly blunt instrument, wielded by some very dubious characters, it is still better than anything else in the land. Bochco's flair is for serving realistically imperfect people against a realistically imperfect system and extracting both realistic drama and humour from the results.

Mary Whitehouse has compiled a 30-minute videotape consisting of the bits that shocked her from *The Singing Detective* and from some of the late-night movies shown in Channel 4's "red triangle" slot where a "Special Discretion Required" symbol is used to ensure that all those watching have deliberately chosen to watch. Yesterday (having, no doubt, cleared copyright with all those involved) she was due to exhibit her peculiar little collection to the all-party Media Committee at the House of Commons as part of her campaign to have her tastes made law and imposed upon the rest of us.

Some of the works from which she has made such careful selections are pretty poor. *Themroc*, for example, is in

my view largely incoherent and very tedious. *The Singing Detective*, on the other hand, is one of the best television series ever made, and the famous sex scenes are fundamental to the exploration of the mind of the central character. But whether the artworks are good or bad, the trick of taking out the "dirty" bits and showing them in isolation is disgraceful.

It is like chiselling the genitalia off a Greek statue in the British Museum, and holding up that little bit on the steps outside in order to condemn the entire collection as obscene. It is like hacking out the breasts from a Rubens nude and displaying the extract to suggest that the artist was dirty minded. It is like isolating the phrases "Kisses of his mouth . . . he breathes . . . on my bed . . . until the day break . . . he is altogether lovely . . . and his desire is toward me . . . sucked the breasts . . . make haste my beloved" from *The Song of Solomon* and using them as grounds for banning *The Bible*.

It is good to hear that *The Singing Detective* has attracted more nominations (11) than any other programme in this year's

BAFTA Awards, and encouraging to learn from a survey commissioned by C4 that 65 per cent of viewers regard the red triangle as either a good idea or a very good idea. At ever, despite all her desperate attempts to imply otherwise, Mrs Whitehouse represents a very small minority.

Over the years there have been some pretty awful situations comedies, but surely never anything quite so dreadful as *A Small Problem* on BBC2. In a fantasy Britain, everyone under five feet tall is designated "small" and persecuted. The idea is presumably an allegory for the persecution of blacks or homosexuals, but the material just is not funny. Clearly aware of this, the producer has resorted to the desperate measure of too much canned laughter, often at wholly inappropriate moments. This merely makes matters worse.

Every review of BBC's *Northanger Abbey* that I have read has concentrated on displaying the writer's deep and detailed understanding of Jane Austen's book. There have been great spluttering shows of outrage about the novel being traduced.

and one or two appreciations of the cunning of the adaptor, Maggie Wadey, in her use of television to produce parallels to the book.

I, having never read it (like the overwhelming majority of the audience, I daresay) came to the BBC2 version with the advantage of being able to see it as first-hand television rather than second-hand literature. Considered like that it was highly entertaining if occasionally bizarre — as in the scene where the ladies of Bath took to the waters fully dressed — and gently funny. The vaguest knowledge of the gothic novel was quite enough to appreciate the impingement of *Carrie's* fantasia upon her real life, and I for one was well pleased to see the more lurid *Hammer*-style dream sequences which were among the most effective parts of the drama.

Television is no more obliged to stick to the letter of Jane Austen than Shakespeare was to stick slavishly to Holinshed. *Northanger Abbey* and *The Chronicles* are both still there on the shelf, quite unchanged by their adaptors, for anyone who wants to read them.

Whoever is appointed Director-General of the BBC (and my money is now split three ways on accountant Michael Checkland, who is currently acting D.G., David Dimbleby and Jeremy Isaacs) is going to have to launch out pretty promptly upon a sea of troubles which is getting rougher every day. In addition to the row over the *Cartoon* spy satellite programme there is now a revived controversy over Ian Curtis's plan about Mrs Thatcher in a sympathetic light and was "postponed," an affair which begins to look extremely murky judging by the extracts from Curtis's forthcoming book published in the *Sunday Telegraph*. There is also the problem of what to do about *Tumbledown*, Charles Wood's drama which questions the justice of the Falkland's campaign.

Then there is the closely connected difficulty over plans for a documentary about the Pantomime affair in June which could — who knows — be election month. The expensive filmed drama *Ship Up*, about the

black soldiers from a lynching. For this reason, he assumes he is to blame for his daughter's violent death because she took his good works so seriously she became a prison worker.

An intense James Tolkan as a police inspector grills the father to get the confession and dredge up from behind the guilt the name of his daughter's boyfriend, a former convict jailed for killing a previous girlfriend.

The old Miller might have been satisfied with such a contrived plot, but at least would have used it to show how wrong the cop and the father's assumptions are. Here, the play ends as the cop goes off to arrest the former convict, convinced that his own narrow-minded prejudices had fingered another criminal.

Gregory Mosher, in his second season as director of the Lincoln Centre Theatre company, uses the plays to show his versatility in making a laconic first act in contrast to the tension of the second. A bare thrust stage with unimpressive sticks of furniture completes the dismal picture of a playwright in sad decline.

The interest and pleasure in the exhibition are heightened by the unusual number of proofs showing the evolution of his work. Hanging side by side, they allow the public to follow the different stages of Rembrandt's creative process.

The lay-out combines scientific rigour with both originality and a sense of poetry. The organisers have deliberately avoided the risk of shuffling lines of viewers bent over a monotonous alignment of glass cases.

Here you enter the exhibition through a dimly lit antechamber to the sound-effects of birds singing, water splashing and wind whistling, with three wells projecting reproductions of Rembrandt's oils. And — most

Ronnie Biggs saga (reviewed here last week) was pulled from the schedules in December and is still in limbo. And now the BBC's left hand seems to be arm-wrestling the BBC's right over the question of *Crossfire*, a five-part thriller set in Northern Ireland made by BBC Scotland, about which James Haworth, the BBC's highly respected Northern Ireland controller, has said little.

The second somebody gets into the D.C.'s chair, at this moment an accountant — however good his accountancy — hardly seems the ideal choice.

Perhaps it is no great surprise that as Jack Rosenthal becomes more prolific his individual works become less impressive, yet it does seem a pity. In the last few weeks we have had the *Fools On The Hill* after the opening night of BBC television, *Don't Remember to Forget* by George Cole playing an old man who has lost his memory, and now *The Chain*.

Each contained examples of such as detailed caricatures of particular types (the Sloane secretary in *Fools*, Cole's fussy wife, Warren Mitchell's removal man) and measured against the general standard of television drama all three were above average. But Rosenthal's earlier work — notably *The Evacuees*, *Barmy Boy* and *The Knowledge* — led us to expect something considerably better than that. I suspect that the form of *The Chain* with its long series of interlinked characters may have been inspired by the success of *The Knowledge*, but in the removals drama the portmanteau element turned out to be a weakness rather than a strength.

Every now and then *Arena* comes up with a programme in which form and subject merge to make an extraordinarily satisfying whole. Last week's "Confessions Of Robert Crumb" produced by Mary Dickinson, was a good example. It conveyed the life story of the American comic strip artist who created such immortals as *Fritz The Cat* and *Mr Natural* in a manner which precisely matched the man's eccentricity, exploiting his chosen medium, the comic strip, to telling effect.

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More Light/Bush

Martin Moyle

counts the Pope's pursuit of Bruno into heaven in the shape of a bluebottle (*The Fly*) was never like this, swatted by the Virgin Queen and half-drown in Shakespeare's inkwell. The RSC made do with another (fairly disastrous) version of *Il Candelario*, and now the ever-enterprising pub theatre in Shepherd's Bush has come up with Wilson's own stab at a commedia erudita: an intriguing gallimaufry of fact and fantasy in which the Renaissance heretic finds himself in heaven that includes Elizabeth I, the wizard Dr Dee and his medium Kelly (part Ariel, part Caliban) and Shakespeare a woman (by the way).

Bruno, ex-monk, philosopher, some time resident of Elizabeth's court, is suspended between life and death as the Pope, invested with Stuart Wilson's tones of harsh severity, pursues him as both judge and jury (the culminating role of *Flute* in the first of the evening's *Alice* echoes). Robin Don's celestial set is well worth laying siege to: a curved ramp that dwindles into the silver tail of a comet above us, a tilted zodiac encircling a globe, a medieval map kept in place with the three bands of the papal tiara looming over a relief of the eternal city. All beautiful, all in the Bush tradition of fine design.

The play rambles. It needs pruning and the jokes need sharper pointing. But it provides some good set pieces as when Mr Wilson (Stuart) re-



Renan Vibert

Bruno — in an ass's head — to save heaven. Only she doesn't. The privilege goes to the celestial barmaid with the men on her bottom who coyly claims to be from *Mummerset* before admitting "Reely, I'm an earth spirit, me . . . Maybe you'd like to come home with me. My dad's Bacchus." Whatever the danger of corn in such times, Caroline Holdaway triumphantly makes the part wickedly and unexpectedly funny, making the arrival of a splendid comic start.

The mechanics of the plot get out of hand and entail Elizabeth sacrificing her virginity to

Bruno, ex-monk, philosopher, some time resident of Elizabeth's court, is suspended between life and death as the Pope, invested with Stuart Wilson's tones of harsh severity, pursues him as both judge and jury (the culminating role of *Flute* in the first of the evening's *Alice* echoes). Robin Don's celestial set is well worth laying siege to: a curved ramp that dwindles into the silver tail of a comet above us, a tilted zodiac encircling a globe, a medieval map kept in place with the three bands of the papal tiara looming over a relief of the eternal city. All beautiful, all in the Bush tradition of fine design.

The play rambles. It needs pruning and the jokes need sharper pointing. But it provides some good set pieces as when Mr Wilson (Stuart) re-

Heaven Bent, Hell Bound/Cheltenham

B. A. Young

Why do we so neglect the Golden Age of Spanish drama? We may know that Don Juan first appeared in *Tirso de Molina's El Burlador de Sevilla*, but we won't have seen the play produced. There have been fringe productions of *Calderon's La Rida* and *El Burlador*, but who have ever seen one of *Lope de Vega's* 722 recorded plays? Now here is the *Actor's Touring Company* with *Tirso's* title piece, *El Burlador por Descapado*, which in John Clifford's witty adaptation is called *Heaven Bent, Hell Bound*, and it proves as exciting and entertaining as any *W*ience could want.

Characteristic of its time, it has a theosophical theme, but no one need be put off by this.

The argument is as keen as a modern political dispute, and contains a potent charge of humanity verging on the romantic. Mr Clifford's version is in today's English, including some of today's jokes that *Tirso de Molina* would not have known about.

Reduced to its elements, the story is this: Paulo and his Sancho Panza figure Pedro, (Paddy Fletcher and Clive Kneller) are former soldiers who have spent ten years

"God already knows what I am like" is her confession. Paulo, on the other hand, killed in a battle with peasants, is led by the Devil to the cold circle of despair in Hell. This is his reward for his decision that, if Ladora will not save herself, he may as well stop trying to redeem her.

There is a wealth of lusty action to illuminate the snakes and ladders of salvation, but Mark Brickman's beautiful production is confined to a small square stage surrounded by a wall of devotional look, with church furniture available to such as need it, the ingenious work of designer Lee Brewster. The six-strong company take a dozen parts. Ladora is interestingly done by Kate Ingram; she is proud of her evil nature, boasts of it, but retains a visage that can in a moment resolve into goodness. Simon Tyrrell is her confederate Galvan.

The production goes on to Salisbury, Fareham, Minehead, Launceston and Shaftesbury this month, and towards the north-east next month. It is worth any kind of effort to see it.

San Francisco Symphony/Festival Hall

Dominic Gill

The San Francisco Symphony and the Los Angeles Philharmonic have traditionally one with the other to settle thoroughly into his new post but first impressions were of a capable, cautious musical personality who has yet to persuade the orchestral sound to blossom as de Waart came to do, and as Ozawa did before him.

The San Francisco Symphony's accompaniment to *Isaac Stern's* *Prokofiev's* D major violin concerto was a model of respectful tact — and Stern's own playing was a model of easy lyricism. Stern is not always these days the

most reliable performer in the world; but on this occasion the grip (bar a few of the wilder flourishes in the finale) was faultless, and tone was clear, warm and beautifully tuned. The San Francisco's account after the interval of Brahms's first symphony was well-argued, intelligent and observant — but without any very high charge of excitement. Blomstedt never quite caught the full lyrical measure of the adagio; the scale was sallow, the accent mildly prosaic. A good, sensible performance, whose finale glowed, but never burst into flame.

Blomstedt's accompaniment to *Isaac Stern's* *Prokofiev's* D major violin concerto was a model of respectful tact — and Stern's own playing was a model of easy lyricism. Stern is not always these days the

Saleroom/Anthony Thorncroft

A £10,000 sixpence

One of the earliest coins struck by British colonists in the Americas sold for \$10,450 at Christie's yesterday, around twice its estimate. It was bought by the London dealer Spink.

The coin was issued around 1616 for circulation in the Sommar Islands, now Bermuda. It was a sixpence and is known as "Hogie Money". The coin carried a hog on the reverse, in recognition of the profusion of wild hogs found on the island by the first settlers. The auction of coins totalled \$153,076 with just 3 per cent unsold.

Two other early American coins were nearer to their estimate. A sixpence struck in England for use in Maryland in the late 1650s went for £1,980 and a shilling, depicting an oak tree, which circulated in Massachusetts, one placed on kitchen shelves has proved to be a durable Chicago hit. (235 6100).

Woman in Mind (Vanderbilt): Alan Ayckbourn's new comedy has a brilliant performance by Julie McRae as a dissatisfied housewife visited on her own garden lawn by an imaginary ideal family. Bleak but funny, haled in some quarters as vanguard feminist drama; be not put off by that. (838 9287/5645).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollercoaster folly has 10 minutes of Spielberg movie magic, an exciting first half and a swindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all

certainly made to commemorate the Restoration in 1660. The price was four times the estimate. Two rare plaques of King Henry IV of France and Marie de Medici, also by Simon de Passe, doubled their top estimate at \$4,400.

Bonhams did well on Monday by holding a series of sales devoted to dogs — both paintings and doggy artifacts — linked to the era of Crufts. An old £24,000 was brought in, a considerable sum for this auction house.

The top price was £10,600 paid for "The Dogs Bag" by James Hardy Jr, which depicts two proud retrievers guarding a basket studded with game birds. "Fox Hounds in a Kennel" by Thomas H. Hopperwood, at the top of its estimate for £8,380, and a pair of portraits of mongrels from an unknown 19th century English primitive painter made £7,200.

The big success of Phillips' routine sale of Old Master paintings and drawings was the £13,200 paid by Colnaghi for a red chalk drawing of the Madonna and Child which had been catalogued "attributed to Poldoro da Caravaggio," and estimated at £300-£350. Obviously the dealer has a better attribution. The drawing had once belonged to Sir Joshua Reynolds.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

February 13-19



Glenda Jackson, who plays at The Globe, London, this week

in a wonderful Paris Opera

ambience designed by Maria Björnson. Hal Prince's alert, affectionate production contains a superb central performance by Michael Crawford as a new, married and palpable hit. (539 2224, CC 37

FINANCIAL TIMES

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Wednesday February 18 1987

A budget for incentives

THE NEWS yesterday that the public sector borrowing in the first 10 months of the current financial year has totalled only £20.4bn makes it certain that total borrowing this year will be far below the Chancellor's target of £70bn. It is still too early to estimate the sum, and still more hazardous to project the trend into 1987/88. The 10 per cent rise in excise revenues, which has contributed perhaps half of the total, may well not be fully sustainable, since consumer appetite for debt is not inexhaustible, as recent US experience has shown.

On the other hand revenue from corporation tax should be increasingly buoyant, since the effect of rapidly rising profits is compounded with the exhaustion of past tax allowances. This strongly confirms what analysts have foreseen for some time: the Chancellor will have abundant cash in hand without his stated borrowing targets. The recent Cabinet decision to stick to a "modest" policy suggests that some of this will be used to reduce borrowing. This would still leave scope for substantial tax cuts.

Minimum risk

Every political instinct and the economic case for sharp incentives at every level will argue for cuts, but economic prudence might well point the other way. The rapid rise in earnings and in consumer spending, the deterioration of the current account, and the rapid inflation of property values in the more prosperous parts of the country all suggest the last thing the economy needs is any further stimulus.

That is why the Tory Reform Group, supported by the moderate opposition and partly by the CBI, argue that most of the money should be targeted on the unemployed and the regions of high unemployment. These regions are in no danger at all of overheating. Some measures of this kind—especially, perhaps, a targeted cut in national insurance contributions—would certainly be welcome; but it is highly unlikely that the Chancellor will draw the line here. The real challenge is to devise cuts which give the most real help to incentives at the minimum economic risk.

This economic background immediately suggests one test. Since the buoyancy of revenue is partly the result of very high personal borrowing, any cuts should be designed in part to encourage saving rather than

further borrowing. The pattern of income growth suggests another test: while there is a case for cutting the higher marginal rates of tax, in an effort to follow the US example of tax reform, there is no case at all for redistributing post-tax income. The higher paid have already enjoyed above-average increases for several years. Concessions to the rich should be at the expense of their fiscal privileges.

Radical package

At the moment the steepest disincentives apply at low rather than high incomes, where the combined effect of tax, national insurance contributions, and loss of benefits adds up to an effective "tax" of over 50 per cent in some ranges. Selective welfare support, usually means a cut-off, but this seems excessive. At the least, the Chancellor should press on with the reform of national insurance he began in 1985, and eliminate the clawback which results in actual loss of income when pay increases through certain narrow ranges. A reduction in standard rate would, of course, also help here.

At the top end of the scale, the obvious offset for any reduction in the higher rates is to restrict mortgage tax relief to the standard rate, which is now virtually a consensus proposal. A further increase in the tax on perquisites would be in line with existing Conservative policy; and the present ceiling on personal contributions to national insurance creates an illogical kink in the effective income tax schedule. Finally, the US example argues that there is no case for taxing realised capital gains at a lower rate than income. These elements could make a balanced incentive package for the rich.

It would be easy (and enjoyable) to propose a much more radical package which would move towards an expenditure tax on personal incomes. The Chancellor might also take advantage of the proposed abolition of local rates to bring in a national property tax, which would raise revenue progressively without disincentive effects; but the ground is not prepared, politically or administratively, for such measures.

Mr Lawson could, however, combine political attack with fiscal prudence by combining a relatively cautious programme of immediate cuts with a Green glimpse of a more logical system for the future.

Ring fence around the banks

ARE banks so special, so vital to the national interest, as to warrant some form of special protection from takeover by foreigners? This has emerged as one of the main questions in the Banking Bill which reaches the report stage in the House of Commons tomorrow. Although the measures proposed by the Thatcher Government yesterday will make it harder for certain foreigners to buy stakes in UK banks, it seems likely that a coalition of right and left wing forces in the House will table a much stronger amendment to give the Government the right to veto bank acquisitions in the national interest. They will have the support of many members of the UK banking establishment.

This is not an issue which can be decided on the basis of pure principle, be it either that commercial markets should be free or that the UK as a nation should retain the right of control over its business institutions. Banks are special. There is little doubt about that. The aim of the legislation must be to establish the minimum amount of protection necessary to ensure their special character is not jeopardised.

Domestic interests

That special character has partly to do with their role as intermediaries between lenders and borrowers. Some concern has been expressed about the possible threats both to depositors and to the supply of credit to the country should a major bank fall into foreign hands. But fears on this score do not seem realistic in an age when banks are increasingly being supervised according to internationally accepted standards and where supplies of credit are proliferating. Besides, any foreign-owned bank which did not inspire confidence in the UK market would very quickly pay the price through loss of business.

A more deep-rooted concern centres on the banks' key position in the payments system, one of the economy's vital organs. There is certainly a case for arguing that access to the system should be limited to banks which satisfy all the criteria of soundness and political

AS ALMOST any European trade official how the wind is blowing from Washington these days and he is likely to offer a blunt one-word reply: cold.

Faced with a trade deficit that totalled nearly \$170bn (£112bn) last year, the US is wrestling with its conscience over free trade. As pressure mounts for protectionist legislation, the Reagan Administration has turned on its major trading partners in a series of bitter confrontations designed to force them to open their markets to US goods.

Just how cold the trade winds are blowing will become easier to gauge as the debate on trade legislation gets under way. At stake is not only the question of how far the US will swing towards protectionism in response to its record trade deficit, but also the question of the degree to which the President should have free rein in the management of trade policy—traditionally a jealously-guarded preserve of Congress.

Weakened by Iran, the President's Republican Administration is pitted against a Democrat-controlled Congress, flexing its muscles ahead of the 1988 presidential elections.

As its first shot, the Administration will shortly launch a major competitiveness initiative, containing its trade proposals. Separately, the House of Representatives is expected to legislate by late April and a trade bill has been unveiled in the Senate by Senator Lloyd Bentsen, the influential Democrat who heads the finance committee, and Republican Senator John Danforth, of Missouri.

Prospects for enactment of these measures changed late last year when Mr James Baker, President Reagan's shrewd Treasury Secretary who is generally regarded as the architect of US trade policy, announced that the Administration wanted to start working on trade legislation with Congress. Previously, the White House, which—on paper at least—is staunchly in favour of free trade, had refused to work with Congress in this way.

Washington trade experts reckon that the change of heart reflected, in part, the realisation that Congress would pass the bill anyway. On a practical level, the Administration also needs legislation that will provide the necessary negotiating authority for the new round of multilateral trade negotiations, now under way at the General Agreement on Tariffs and Trade (GATT) in Geneva.

According to Mr Clayton Yeutter, US Trade Representative, the President's imminent competitiveness initiative will run to more than 1,500 pages. As well as covering issues related to foreign trade, it will bring in education, training and research. Rather than endorsing protectionism, the initiative will seek to reduce legal impediments facing exporters. Changes will be sought to anti-trust laws to enable the formation of consortia to bid for foreign contracts. Also slated for revision is the Foreign Corrupt Practices Act, passed by the Carter Administration, seen as a deterrent to exporters because of its strict line on incentives paid to foreign customers.

This positive approach has been described by an aide to Mr Baker as "politically by far

US trade policy

A cold wind but not a freeze-up

By Peter Montagnon

the most promising" for the battle against protectionism. The Administration is pinning its hopes on a belief that the 100th Congress, which convened for the first time last month, will turn out to be much less protectionist than is expected. It is pitching the competitiveness initiative as a rallying call to the moderates.

Politically, there are grounds for thinking that the Administration may have got the mood of Congress right. The Democratic Party is acutely aware of the risk that full-blown protectionism could backfire with US voters who instinctively support free trade.

The humiliating defeat suffered by former Vice President Walter Mondale in the last presidential election is attributed at least in part to his espousal of protectionism.

Moreover, memories in Washington reach back more than half a century to the

The small print will be designed to harass anyone who is not American

notoriously protectionist Smoot-Hawley legislation, now regarded as a key contributor to the 1930s world recession. With their eyes firmly fixed on the White House next year, the last thing the Democrats want to see is a resurgence of the kind of protectionism we're facing."

Congressmen like Senator Bentsen and his counterpart in the House of Representatives, Mr Dan Rostenkowski, who chairs the ways and means committee, are described by aides as pragmatic free traders. For them the art will be to overcome the more extreme pressures for protectionism, while going just far enough down that road to ensure that there is strong bipartisan support for moderate legislation. The aim is to help preserve the open international trading system, not to cause further friction with our main trading partners.

Yet the Reagan Administration faces a struggle with Congress. Mr Yeutter says he is worried about the speed with which Mr Jim Wright, speaker of the House of Representatives, aims to move on trade. A bill to pass by early spring could incorporate harsh protectionist legislation, which the President would veto. Then,

such an objective is, however, easier to define than to achieve.

At the moment no one in Washington knows with certainty what sort of law will be passed.

Mr Harold Malmgren, a trade consultant and former US Trade Representative, says the legislative process is "unpredictable". Mr Baker says it will be "messy". But tentative consensus is forming among trade experts in Washington that the final outcome will contain relatively little in the form of overt protectionism.

Instead, the legislation is

that the bill will contain a lot of what Mr Malmgren calls "technical protection" in its

"small print", all of which will be designed to harass anybody who is not American."

A possible example, he says, could be a change in patent regulations. At present a US company seeking protection against patent infringement by a foreign competitor has to prove that its business has suffered. Under suggested rules, which command widespread support in Washington, it would have to prove only that the

patent had been infringed. That

could hurt exporters to the US, particularly in the electronics and high-tech sectors where many patents are in worldwide contention. During the time taken

for appeal a foreign company could lose its potential market share in the US.

For its part, the Administra-

tion has made plain its dislike

of some of the provisions do-

ing to the country in Congress. In

Capitol Hill testimony last

week, Mr Baker singled out

several, including a general im-

port surcharge which, he said,

could spur inflation, prompt re-

talism from other countries and hurt US industries relying

on imported inputs.

For much the same reasons,

Mr Baker also came out

strongly against granting pro-

tection to specific industrial

sectors. The Senate bill care-

fully avoids proposals to aid

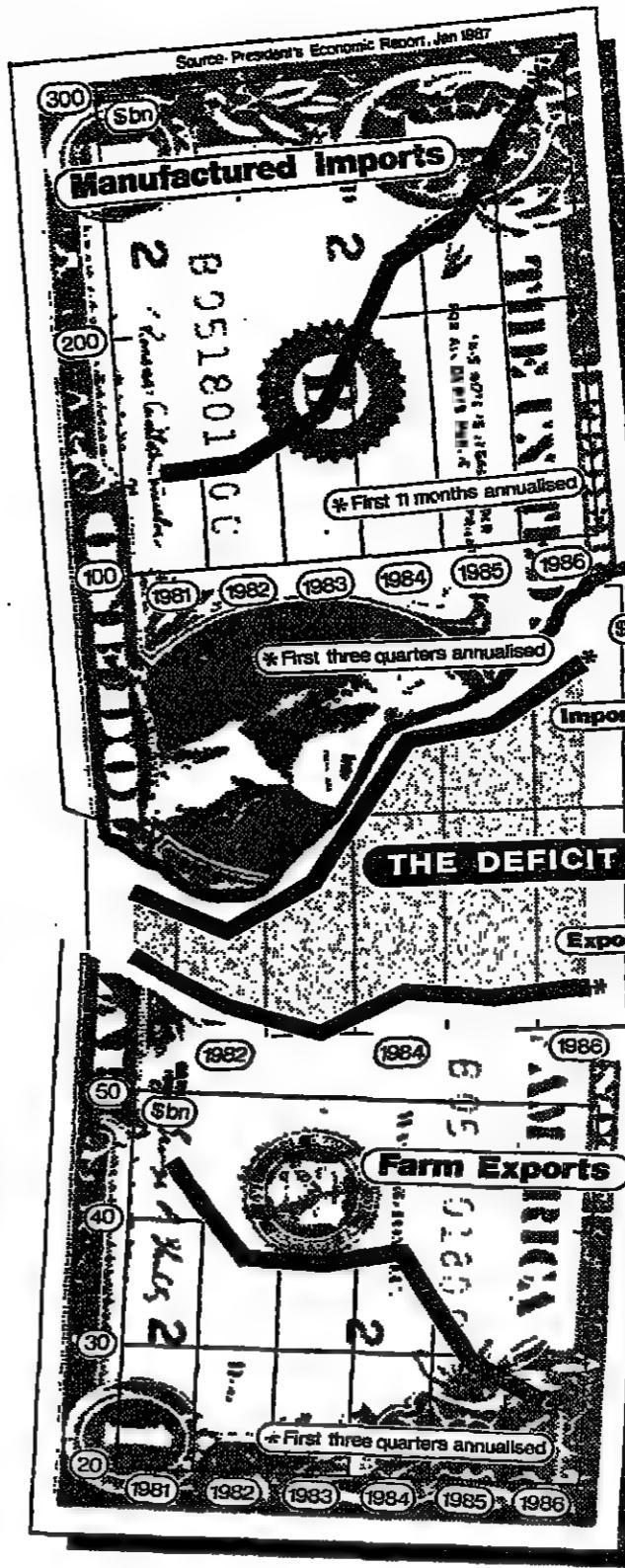
these, but separately legislation

is in preparation to introduce

quotas on textile imports.

Pressure for specific legislation

is also being exerted by areas



like telecommunications and natural resources.

In response, the Administration is likely to step up action under existing rules against its trading partners in any sector for which specific legislation is proposed. Yeutter hinted, during an interview last week, that this would be the approach on telecommunications. He said:

"This is a major area of economic activity for the world as a whole and one which is by no means an example of free and open trade worldwide. It is plagued with monopolies in many parts of the world. That's an area that's ripe for improvement."

Mr Yeutter also pointed to the Administration's record for tough action against Japan as a pre-emptive response to legislative proposals within Congress, requiring that country to reduce its trade surplus with the US. According to Mr Baker, the idea of mandatory retaliation against countries with a large bilateral or global trade surplus is inflexible and dangerous. "A rigid, statutorily mandated approach that dictates to foreign governments, can make them less likely to agree to reduce barriers and counter-attack by closing their markets to US exports," he says.

Senior Administration officials say they would rather have no trade legislation than a protectionist bill tying the President's hands. They believe the President would seek to veto such a bill, even though that would mean the risk of forgoing the GATT negotiating authority.

The Japanese issue, they say, is the Administration's pre-prepared to see reciprocal access to foreign markets introduced as a permanent factor, which it may consider when dealing with specific trade disputes. But like many of its proposals on trade—while it would also set a deadline of two years on the settlement of trade disputes under the GATT and provide speedier import relief for producers of perishable produce—it's stance is rather weak when set against congressional demands.

In some sectors of US industry there is rising frustration over what is perceived as the slowness of government response to trade problems. Mr James Gray, president of the National Machine Tool Builders Association, says it took ten years to win import relief for his sector. Mr Moore, of the textile institute, says his industry has filed more than 20 requests for import relief over the past five years "and we've been frustrated."

Though this is denied by the State Department, he says State policy has been subjugated to foreign policy considerations. For example, action against Turkish textile exports to the US was refused because of the need to maintain NATO bases in that country.

As a result, limiting presidential discretion in trade matters has become one of the most pervasive themes of the debate. Whatever shape the legislation finally takes, it is likely to make aggressive action on trade issues more automatic and also more frequent as the Administration loses power to negotiate with other countries.

This is a price that the Administration—and the US's trading partners—may have to pay if more overt forms of protectionism are to be avoided.

Eye to eye with Kalms

Gerald Corbett, puckish corporate finance chief at Dixons, is coy about the fine detail of the package offered to Barry Feinberg, head of the Silo electrical retailing business in the US which seems set to join Stanley Kalms's portfolio.

He much prefers to concentrate on the fact that Feinberg will be staying in day-to-day control of the company, and that he gets on well with Kalms.

Dixons has something of a red-blooded reputation for roughing up the management of companies coming under its control.

According to Corbett, there will be little interference from London. "It is a good move with a good team. It could be a disaster to export top people and start running it like Dixons."

Kalms, master of the hands-on management style, is apparently prepared to be patient, even though Corbett says his "fingers started twitching" at the sight of some of Silo's merchandising efforts.

For Kalms the deal offers a

way into the rich US market

and some compensation for fail-

ing to gain control of Wool-

worth last year.

Feinberg will get a chance to

run a pure retailing busi-

ness, unencumbered by the

constraints of its steelmaking

parent, Cyclops Corp.

According to Corbett, there

will be little interference from

London. "It is a good move

with a good team. It could be

a disaster to export top

people and start running it

like Dixons."

Young fogey

Retirement at the age of 37

sounds like the final gesture in a meteoric but brief career.

However, in the case of

Michel Marks, who is retiring

from the chairmanship of the

New York Merchantile

Exchange (NYMEX), it has been

achieved after long years of

THE Royal Opera House, Covent Garden, the Arts Council and the Government—in the skeletal form of the Office of Arts and Libraries—are involved in a leisurely game of pass the parcel. If the parcel does not contain a sizeable sum of money when it is opened, probably next month, then the future of Covent Garden as an international opera house looks bleak indeed.

When the Arts Council announced its grants for the major UK arts companies in December, Covent Garden was pointedly omitted from the list. It had been unable to produce a balanced budget for 1987-88—a grave misdemeanour in the council's eyes. Even more to the point, there are influential figures on the Arts Council who think that Covent Garden, which with its grant for the current year of £13m is the biggest recipient of arts subsidy, is over-generously funded. If its grants were re-distributed, they argue, the arts in the regions could flourish.

In the event, Covent Garden was sent away to produce a balanced budget. It found the task impossible: with the forward commitment involved in booking a major singer, conductors and directors, it envisages a deficit of nearly £2m in 1987-88. The Opera House is now devising its first three-year plan, which may cut back the short fall in year one by £500,000. But there is no way to balance the books without a substantial increase in subsidy.

The Arts Council cannot produce the extra cash. Many of its clients are in a similar plight: the RSC is £12m in the red, and the Council is alive to the fact it could expect if it gave more than the present £13m to its biggest subsidy. Its first inclination was to offer Covent Garden a standstill grant; now it may find a small increase. But the best it can do is to pass the problem on to the Government.

Covent Garden, for its part, has set out to charm the opposition; hence the invitation to the Prime Minister to attend a performance of *Otello* with Plácido Domingo, and the close attention that was paid to her approving remarks. Having seen the product, she must decide if it should continue.

Covent Garden holds the Government directly responsible for its current plight. In 1983, perhaps persuaded that the Opera House was wasteful and badly managed, the Minister for the Arts asked Sir Clive Priester, Treasury consultant, Mr Clive Priester, to examine its activities. He comes out with the nearest thing to a financial whiplash: The Opera House could have saved £600,000 by changing some back stage practices but, in return, it deserved much more cash, over a number



Margaret Price in a scene from Covent Garden's new £200,000 production of Norma which opened last week. Now playing to capacity houses, Norma will only be staged six times before disappearing from the repertoire

A last chance at the Garden

By Antony Thorncroft

of years. Covent Garden has achieved £500,000 of the savings but only got more money for one year. If the Priester recommendation had been acted upon, the Opera House would still face a financial squeeze, but one that could be tackled with optimism. Without Priester, it has suffered the fate of all arts organisations—a subsidy which rises in line with the lowest increase in the Retail Price Index (salaries make up around 70 per cent of expenditure) keeps pace with the highest Average Earnings Index. At the Natural History Museum the same problem has been met by the introduction of admission charges; at the RSC it has meant fewer new productions next season. For Covent Garden there is no easy solution.

Staff are on contracts, therefore closing down for six weeks

in the summer offers no quick solution, and eliminates income. Cutting the size of the chorus or orchestra would soon dissuade top conductors, directors and singers from accepting bookings at the Garden, marginalising its position in the opera world. Putting on a repertoire of safe and popular operas would produce a disastrous press. To remain an important world centre, the Garden must mount new and experimental productions.

At the moment Sir John Tooley, general director of the Opera House, refuses to speculate what will happen if the Government does not come up with more cash. He is concentrating on the budget. Covent Garden hopes to boost its revenue in 1987-88 in the time honoured ways—improving marketing, raising seat prices, and attracting more sponsorship money. At the same time, costs will be cut further.

Seat prices offer the biggest challenge. Their contribution to revenues has declined since Covent Garden adopted a fixed price policy. Currently, the top seat price is fixed at £40, no matter how popular the performance. But this is expected to change: "galas" events may be introduced to exploit the premium seat prices which the more glamorous productions command.

Sponsorship is another problem. Taking account of the seats sold to companies at a premium, Covent Garden makes £1m a year from sponsorship, out of total revenue of £25m; it does not think it can push it much higher. A more obvious way of shrinking the 1987-88 deficit would be to run more popular operas—Lucia di Lammermoor has just completed 10 performances in rapid succession—and

more ballet, which is cheaper to mount. But even if these stratagems are adopted, there will still be a deficit.

For the future, the possibility of three-year funding gives some cause for hope. This would make planning easier, and potential savings could be targeted over a longer time span. The Prime Minister has expressed sympathy with rolling subsidies, but it is anathema to the Treasury. No agreement is likely in time to head off the immediate crisis.

Nonetheless, the Opera House still has a few cards up its sleeve. By chance its chairman, Sir Claus Moser, retires this summer. His successor is believed to be Sir John Soane, but Sir John will be understandably unwilling to take over a bankrupt institution. The most likely outcome is that the Arts Council will offer just enough for the Garden to enter the new financial year without disrupting its programme—and a commitment on all sides that a longer-term solution will be worked out in the next few months. A pre-election announcement of £10m extra for the arts, perhaps included in the Budget, is not impossible.

However, if the government's price string cannot be loosened, Covent Garden is prepared to make a dramatic gesture, like cancelling productions, or even closing temporarily.

Something must happen soon, before the financial crisis gets caught up in the long-term redevelopment plans of the Opera House. Last week Westminster City Council rejected proposals for a £55m redevelopment scheme, which would eliminate Covent Garden's horrendous back stage workings and modernise its antiquated stage. The plan—which has been criticised by architectural commentators—will be resubmitted in June, but with only minor changes.

Covent Garden can hardly push ahead with confidence on such an ambitious project if it is officially bankrupt.

To a great extent, Covent Garden's difficulties come down to a matter of image. It actually offers the cheapest theatre seats in London—£2, with excellent acoustics and dreadful vision. And its average attendance of just under 90 per cent would make commercial West End management ecstatic. Finally, it receives less subsidy—just under 50 per cent of its revenue—and than rival houses in Paris and Milan.

Steps are now being taken to streamline the Garden's organisational structure: it is up to the practical efforts of practical people and trade unions—to create an orderly framework in the face of many conflicting forces within which they can pursue their long-term goals.

For employers the quest is to recruit and maintain an efficient and skilled workforce while operating in increasingly competitive markets. That is why Ford, a major employer and no enemy of this Government, pioneered national company bargaining—and why it wants to stick with it.

For unions the aim is to

temper those market forces

National pay bargaining

A hospital pass from Lawson to Clarke

By John Edmonds

PERHAPS WHEN Mr Nigel Lawson was a lad he played tag. Now that game is still on, he has the ball and the opposing scrum is about to tear you to pieces. It is tempting to pass the ball and let a colleague take the punishment. The strategy is known as the hospital pass.

Mr Kenneth Clarke, Britain's Employment Minister and Paymaster General, must feel very much victim of such tactics at the hands of the Chancellor. His restatement last week of the Government's case against national pay bargaining has brought a round of criticism on his head.

The Government's case is based on four key arguments, first put by Mr Lawson to the National Economic Development Council (NEDC) last year.

According to Mr Lawson: "A bricklayer or a bank clerk or a bureaucrat is paid much the same on Merseyside, as in Maidenhead. The trouble is that we have become used to national pay scales resulting from national pay bargaining. And pay tends all too often to be set in the light of labour market conditions in London and the south-east, where the demand for labour is much stronger than in the rest of the country. Greater differentiation could help free the labour market and so over time create more jobs."

In these four sentences there are three inaccurate assertions, leading to an invalid policy conclusion.

In fact, of course, people are not paid the same in "Merseyside or in Maidenhead." Large regional variations exist. The index of hourly earnings excluding overtime (where the national average is 100) ranges from 91 in Tyne and Wear to 129 in Greater London. Moreover, the gap is widening. Whereas earnings in London have risen by an average of 102 per cent since 1979, the corresponding figure for the north is 79 per cent.

The second "fact" is equally wrong. Most national agreements do not set actual pay scales. They set basic minimum rates which form a structure adapted by negotiators to meet local or regional needs.

The extent to which final earnings differ from the national minimum varies enormously

with considerations of basic equity without which poverty wages would be even more widespread than they are today. Hence the importance of the basic safety-net rate stemming from the national agreement.

So if the facts are so doubtful why are ministers pushing this line so consistently?

Some commentators have suggested the Government's aim is again to blame someone else for high unemployment, which is once more on the increase. If only employers and unions would see sense and cut pay levels, we would have more jobs.

But even that argument is nonsense. National statistics show that Pay is lowest on Tyneside, but jobs have not increased in Newcastle. Since 1979 sole queues have grown as remorselessly in that city as anywhere else in Britain. In fact companies are flooding to south-east England where pay rates are highest.

Other critics see another purpose. They talk about the bricklayers and the bank clerks as all a little smokescreen. Perhaps Mr Lawson and Mr Clarke are simply gunning for the people they label as bureaucrats. The Government hates national bargaining in the public services because it believes that national bargaining makes the public service trade unions strong. If it could break the national pay system, it could pick off the weaker groups one by one.

The NEDC last autumn took the Chancellor at face value and is investigating his assertions and his statistics. I had hoped that the Government would simply abandon this whole silly business.

But Kenneth Clarke has now put it back on the political agenda and has given it a dangerous new twist. He has singled out job evaluation in his attack.

It is no coincidence that Mr Clarke's criticism of job evaluation comes at a time when a major exercise is being undertaken for council workers.

Perhaps we will now see a spring offensive against the public service trade unions.

The author is general secretary of the General, Municipal, Boilermakers and Allied Trades Union.

Geographical pay rates

From Mr Iain MacLean

Sir—Your report (February 12) on Employment Minister Kenneth Clarke's remarks about national pay bargaining prompts me to ask: "Has the world gone mad or is it just government ministers?"

What Mr Clarke is saying, when stripped of its superficial elegance, is that northerners should be paid less than southerners. The sole justification for this piece of economic grievous bodily harm is that there is more unemployment up north than in the south.

Mr Clarke says that lower wages in the north will increase employment levels and bring prosperity. On that basis Calcutta should be an economic paradise and West Germany a ramshackle banana republic.

The fact that neither is true is easily explained. West Germany has low unemployment, high productivity, high wages and low unit cost. In its manufacturing industry, Calcutta is an economic disaster area because there is no economic investment to speak of.

Is it not time that someone in the Employment Department told Mr Clarke that nationally agreed wage rates broadly equate to minimum wage rates? It seems unfair that he should be deprived of this information, especially when it results in his making a public fool of himself.

It might also be an idea to have a word with him about the basic equity of techniques such as job evaluation and concepts like "the rate for the job." For without both, Mr Clarke can be assured of industrial relations chaos.

Iain MacLean,
12 Compton Rd,
Lindfield, West Sussex

Analysing the analysts

From Greenwell Montagu

Sir—It is a shame that those who analyse the analysts are such poor analysts themselves. The Institutional Investor survey (FT February 19) does not differentiate in its award of points between a No 1 analyst and a runner-up. Therefore it is possible that a firm with five No 1 analysts will be rated lower than a firm with six runners-up. This is patently a nonsense.

Greenwell Montagu's place

shifted despite the fact that we had more top three analysts in 1987 than we had in 1986.

Barclays in No 4 position has 12

analysts who are rated in the top 3 but its 4th place com-

Letters to the Editor

parative with Scrimgeour which has only 9 top three analysts and is rated No 2. The difference is the number of runners-up.

If Institutional Investor adopted a more equitable system of marking, say 3 points to a No 1, 2 points to a No 2 and 1 point to a No 3, then the league table would look a little different:

Intl. Alter.	Investor	native
James Capel	1	1
Scrimgeour Vickers	2	4
Barclays	3	22
Barclays de Zoete	4	22
Wood Mackenzie	5	23
Philip & Drew	6	4
Country Securities	7	7
Alexander Laing & Crucksbank	8	9
Smith New Court	9	12
Warburg Securities	10	11
Greenwell Montagu	11	7
Kiticat & Aitken	12	9

Director of Research,
Greenwell Montagu,
Broad St, EC4

Taking issue with Strong

From the chairman,
Corporation of London
Libraries, Art Galleries and
Records Committee

Sir—I am grateful to Sir Roy Strong for conveying in the latter part of his FT article (February 12) something of the fascination of the exhibition Russian Style currently at our Barberian Art Gallery. I must, however, take issue with some of the points in his opening paragraphs.

The gallery was first projected in the late 1980s at a time when there were fewer major exhibition venues in central London than now. That it has, by this time, defined for itself a very valid role is, I think, amply demonstrated by the 800,000 visitors who have passed through its doors since it opened in 1982, and by the consistently high level of critical attention (mostly favourable) that it has received.

Sir Roy refers to the gallery's programme as a ragbag. In so far as this denotes variety within our general policy of providing shows of national and international significance of 19th- and 20th-century materials, I would agree. I nevertheless emphatically deny his claim that the gallery is taking in the shows that no one else wants. A steadily increasing proportion of its exhibi-

tions (seven out of nine in 1985-86 compared with one out of six in 1982-83) are originated in-house. Far from being the recipient of the cast-offs of others, the gallery is creating and showing exhibitions which other venues at home and abroad are delighted to hire at their end of their Barberian run. The Cecil Beaton exhibition, to quote but one example, is currently in Spain, having previously appeared in Italy and will later go to the US.

Turning to the Russian costume exhibition, I would be the first to admit that, owing to factors that could neither have been foreseen nor avoided, catalogue preparation and the actual installation took place within far more restricted timescales than we had either wished or anticipated. I share Sir Roy's sympathy, however, in his admiration for staff who achieved the almost impossible. The sight of a few trailing wires and gaping joints does not seem, however, to have detracted from the great enjoyment of the 11,000 people who visited the exhibition in its first 10 days.

C. D. Woodward,
Guildhall Library,
Aldermanbury, EC2

Not forgetting the teachers

From Mrs Pat Clayton

Sir—I was grateful to Joe Rogaly for his review of current concerns in the education debate and for his comparative view of trends in other countries (February 11, 12). His first article stated that teachers in West Germany are well paid and highly valued and that Japanese society has a total commitment to education. Neither trend is apparent in this country. Small wonder, then, that EIMI reports do make "rather depressing reading" (February 12).

Mr Rogaly seems, however, to fall into the trap that has traditionally bedevilled educational change in Britain, in that he makes little mention of children or teachers. They are, after all, the main protagonists in the educational process.

Nothing is written about teachers' long and often stressful working hours, nor the way in which British society undervalues them, holding teaching in contempt. Little is said about the distressing social conditions in which many school children live, and which inevitably affect

their educational attainment. Nothing is written about their parents, many of whom view school as a child-care facility, because their prime concern is day-to-day survival.

As a teacher-trainer, working in east London, I never cease to be amazed by the commitment and sheer guts of the trainee teachers completing their qualifications there, under the tutelage of serving teachers who display the same qualities. The rewards in the profession lie within in the personal satisfaction of teaching, status and thus education. The amelioration of children's social disadvantage. Perhaps Joe Rogaly could do so, too.

Pat Clayton

Deputy Director,
Urban Studies Centre,
56-58 East India Dock Rd, E14

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WEEKENDS

Wednesday February 18 1987

Steven Butler in Singapore reports on a radical shake-up of the Communist Party leadership

Vietnam sweeps away the old guard

VIETNAM yesterday announced the dismissal of 13 ministers in a sweeping cabinet reshuffle that brings a new generation of reform-minded leaders into high positions in the Government.

The 18 new appointments announced at the same time indicate at least partial resolution of a power struggle that gripped the country's leadership in the wake of the congress of the Vietnamese Communist Party in December, when the party's four most senior leaders were swept upstairs to advisory posts.

The changes herald the end of a transition of leadership away from the small band of men who took Vietnam through 50 years of revolution and war, and open the possibility of further changes in Vietnam's domestic and foreign policies.

Mr Pham Hung, the interior minister who lost his job in the reshuffle,

was described by an academic on Vietnam yesterday as the "last vestige of the old guard."

Although he retains a post as vice-chairman of the council of ministers and the number two position in the Politburo, control of the powerful internal security apparatus will pass to Mr Mai Cai Tho.

Mr Tho is brother to Mr Le Duc Tho, an old guard leader who was moved out in December, but is strongly associated with the reformist camp because of his work in Ho Minh City (formerly Saigon), where he was once reprimanded for carrying economic reform measures too far.

Observers were also impressed by the promotion of Vietnam's veteran foreign minister, Mr Nguyen Co Thach, to the rank of vice-chairman of the council of ministers. One analyst described Mr Thach as a "closet liberal" and said that he

was expected to encourage an opening of Vietnam to the outside world.

Mr Van Tien Dung, who was dropped from the Politburo in December, lost his position as defence minister. He was replaced by Mr Le Duc Anh, who has been associated with Vietnam's 1978 invasion of Cambodia. Mr Anh's appointment is thought to be a popular choice among the army.

The major outstanding position expected to be changed is that of prime minister, which is held by the 80-year-old Phan Van Dong. Analysts believe Mr Dong has quietly supported reforms in the Government and may have played a major role in the reshuffle. He is, however, expected to be replaced soon because of old age and ill health.

The changes represent a clear victory for the new party secretary general, Mr Nguyen Van Linh, who had an urgent need to import agricultural technology.

was appointed in December with a brief to promote economic reform in Vietnam. He replaced Mr Truong Chinh.

The Government also announced a reorganisation of ministries, several of which have been merged into a new ministry of agriculture and food industry. A commission for economic relations with foreign markets was established along with a new ministry of information.

The dramatic leadership changes in recent months have come about largely because of Vietnam's disastrous economy. Visitors to Vietnam report that the shake-up has been prompted by grass roots pressure owing to the economic crisis.

A Hanoi-based diplomat was recently reported as saying that about 60 people in Vietnam died each day from starvation, and that Vietnam had an urgent need to import agricultural technology.



Mr Nguyen Co Thach, veteran foreign minister was promoted in the cabinet reshuffle yesterday to vice-chairman of the council of ministers.

Norfolk Southern bids for Piedmont

By William Hall in New York

NORFOLK SOUTHERN, the big railroad and transportation group, has offered to buy Piedmont Aviation, one of the most successful medium-sized US airlines, for \$65 a share cash, in a deal which values the group at \$1.5bn.

Norfolk Southern is one of several companies which have shown interest in acquiring the North Carolina-based carrier. Piedmont disclosed yesterday that it had also received an offer from USAir, a similar sized carrier, but had rejected it in favour of Norfolk Southern's all cash bid.

The deal, recommended by Piedmont's independent directors, is the biggest merger to date in the US airline industry in terms of value. It is also the latest in a spate of mergers which is transforming the structure of the US airline industry.

Piedmont, the ninth largest US airline with a fleet of 180 jets and 20,000 employees, is one of the few airlines to have made continuous profits during a period when the US airline industry has been deregulated and several of the major carriers have been forced to seek merger partners in order to avoid going out of business.

Norfolk Southern, which has had a stake of close to 20 per cent in Piedmont for more than five years, has been keen to diversify out of its traditional railroad activities and has about \$1bn in cash after its abortive bid for Conrail, the US Government-owned railroad, which was barred by the US Congress.

Piedmont shares jumped by \$5 1/8 to \$64 3/4 in early trading yesterday while Norfolk Southern's shares slipped by \$1 1/8 to \$32 1/2.

Ever since Norfolk Southern first announced its interest in possibly making a bid for Piedmont last month, some analysts have questioned the group's interest in entering a highly cyclical industry such as the airline business where margins are often squeezed by fierce competition.

However, Piedmont has a reputation of being well managed and consistently profitable. In 1986 it earned \$72.4m, or \$3.45 per share, on sales of \$1.9bn.

Piedmont said that it had received two other takeover proposals from USAir. The company had offered to merge with Piedmont in a paper offer valuing the company at \$71 per share, or a part cash/part stock merger offering \$34 in cash and a portion of USAir shares valued at \$34 per share. USAir shares rose by 5% to \$42 in early trading yesterday.

Low UK January borrowing offers scope for big tax cuts

By JANET BUSH AND PETER RIDDELL IN LONDON



Mr Nigel Lawson, British Chancellor

A SUBSTANTIAL surplus on UK Government finances in January has left borrowing in the year so far at a negligible level and underlined confidence that Mr Nigel Lawson, the Chancellor, will not only be able to deliver sizable tax cuts in his annual set-piece budget but also announces a lower borrowing target for next year.

Figures released yesterday showed a net repayment of £3.7bn (£3.68bn), higher than most forecasts, leaving the cumulative Public Sector Borrowing Requirement (PSBR) in the first 10 months of the current financial year at only £1.40bn.

In response to these figures, independent economists revised down their forecasts for the final PSBR this year to about £4bn compared with Mr Lawson's projection of £1.1bn.

Confidence in an undershoot had already been rising high despite a string of figures during last autumn showing an unexpected buoyancy in corporation tax and value added tax receipts. Yesterday's figures further confirmed the comfort of the Government's position on borrowing.

A substantial undershoot on this year's PSBR would provide a favourable background to the budget on March 17. February's borrowing data will be published on the morning of the Chancellor's speech while the final set of figures for March will be released after the budget.

One consensus view has emerged among independent economists on

the already well-off in an election year.

Over the longer term, however, there is growing support among Tory MPs for a cut in higher rates, last reduced in 1979, particularly after the substantial lowering of US marginal tax rates. Indeed, even former "wet" ministers such as Mr Kenneth Baker, the Education Secretary, have been arguing that it is necessary to reduce the top UK income tax rates after what has happened in the US, to prevent an outflow of highly-skilled talent from Britain.

UK Treasury officials yesterday acknowledged in the strongest terms yet that there were clear signs that the PSBR was heading for an undershoot, although they advised against over-optimism because of various factors which could boost borrowing in February and March beyond levels normally seen in previous years.

A significant feature is that this advice is coming from all wings of the party including those prominent as advocates of free market or so-called "dry" views. These opinions have been expressed at a series of meetings which Mr Lawson has been having with ministers, parliamentary private secretaries and small groups of MPs.

The issue is seen entirely as one of timing. A common view is that it would politically unwise for Mr Lawson to be seen to be favouring

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Simple superiority suddenly superseded

BY MICHAEL DIXON

WHENEVER the Jobs column's creditors grow restless, it wishes it had a fiver for every time it has heard a certain remark.

On each occasion the remark was made by a university academic while commencing on a particular topic. The topic was complaints by business people that Britain's universities do not produce the kind of people most needed by the economy. What the academics typically said was:

"I can't see what they're complaining about. Many of our highly able people go into industry and commerce every year."

That sentiment has been expressed to me so often that I have developed a standard response. It is: "Please forgive me, but I'm not quite clear what you mean by 'highly able people'. Do you by any chance mean 'people like you'?"

To date, oddly enough, it has always turned out that they did. Moreover, although modesty should perhaps forbid me to say so, for the purposes of the discussion that followed, they usually seemed to include me in the 'selfsame' category.

So I have come to regard "highly able people" as being an alternative name for "people like us" — or "plus-people" for short — who I of course assume similarly include readers of this column.

By the same token, we fortunately also gain an alternative

name for the other people we have hitherto had no choice but to depict as being of low ability or even as unintelligent. Those terms have never been satisfactory for describing the individuals concerned. After all, they are not necessarily to blame for their low ability no matter how inferior they may be.

Henceforth, however, we can refer to them as "people unlike us" — or "poo-people" for short — which enables us to avoid being so openly condescending while still sharing in a sense of our own superiority.

The only trouble is that the whole neat terminological scheme looks apt to be undermined by an announcement just sent to me by Barclays Bank. The nub of the announcement is that the bank is to finance research at Cambridge University into the management of high-tech businesses.

While that in itself may appear all well and good, the reason why Barclays is supporting the study contains a nasty implication for the bulk of us plus-people. Matthew Bullock, one of the bank's corporate finance directors, says it is giving the money because its experience of high-technology companies convinces it that "much more needs to be understood about the management of clever people, he is not referring to people-like-us as such.

He obviously means a far smaller group who are still more superior. So it seems that the rest of us are not plus-people at all. We are at best alphabumines.

I naturally regret having to reveal that appalling fact to

readers. But since it is a fact, our only sensible course is to do it and decide what to do about it.

Plainly some face-saving compromise is called for, and the one I suggest is to serve the business's strategy in addition to setting up and developing its financial systems and

institutions and associated service companies. Since the new finance manager will be joining right at the outset, the tasks will include helping to establish the business's strategy in addition to setting up and developing its financial systems and

experience in the automotive or contract-hire trade would have an advantage.

Salary will be in the same wide bracket of £30,000 to £45,000 with perks negotiable.

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Key Consultancy, 1 New Bond Street, London W1Y 8PE, telephone 01-833 1112 or 01-434 7232.

Hunters hunted

LASTLY today we have a case of a headhunter hunting heads for other headhunters. The party of the first part, as it were, is Peter Purdon of John Curtis and Partners.

One of his two quarries is an established executive-search specialist to work from London as a partner of a fairly young search operation. Basic salary will be about £25,000, plus a profit-share by which the newcomer will be expected to earn a further £10,000 at a minimum.

Commercial awareness is again a prime requirement of the job, which will include responsibility for working out and putting into force appropriate company-wide procedures for its personnel and data processing activities as well as for the financial and general management of the business.

Applicants should have been successful in running at least a medium-sized finance function, with responsibility for determining and achieving long-run objectives. People with previous

Finance chiefs

RECRUITER Peter Kay is seeking a brace of financial chiefs for accountancy companies which he may not name. He therefore promises to abide by any applicant's request not to be identified to the employer. So does the other head-hunter mentioned later.

The first job, centred in the Thames Valley, is with a brand new venture on the part of an international computer manufacturer to market advanced systems primarily to financial

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Managing Director

New Development Capital Fund

Our client, Cambridge Capital Management Limited, is the managing partner for a substantial new Development and Venture Capital fund. Cambridge Capital Developments is a limited partnership to which seven Cambridge Colleges and a number of major investing institutions have undertaken to contribute substantial initial funds.

We have been retained to locate an outstanding individual to be the first Managing Director of the management company for the fund, who will also manage the associated technology transfer enterprise, Cambridge Research and Innovation Limited. With responsibility primarily to the participating contributors, the position will be an independent command where management ability, investment experience and initiative will be important. The successful candidate is likely to have a professional qualification, and a track record in the selection, management and realisation of development capital opportunities in a spread of industries. The person appointed will probably be working in a Development Capital organisation at Senior Director level. He/she can expect to utilise to the full the close relationships already established with the technological departments of the University and with the Colleges.

Whilst being located in Cambridge, investment opportunities will be sought not only amongst the technologically based companies for which the region is becoming well known, but also in a range of industries and locations which will give a balanced spread of investments.

A competitive remuneration package, together with an equity share, will be offered, with relocation allowances if necessary.

Please contact in confidence the company's advisers in this matter, Colin Barry or James Curtis, at Overton Shirley & Barry, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry

INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

CLEARING BANKERS

Join a Market Leader in the City

Our client is a leading U.K. merchant bank which has succeeded in sustaining an impressive growth pattern. Specialising in all types of working capital for corporate customers, the provision of traditional banking services continues to be a significant and highly profitable activity. To match further expansion and profitability of these services, several opportunities have arisen in the following areas:

BRANCH MANAGEMENT

This is an excellent opportunity to combine branch management with a career in lending. Responsible for the day-to-day management of the banking operations of the branch, you will also be directly in control of a portfolio of both personal and corporate clients. The level of customer contact demands a high degree of interpersonal skills and professionalism. Preferably in your late twenties, you should have an AIB and up to five years' clearing bank experience.

Each of these positions offers great scope to combine technical and marketing skills in a fast growing and dynamic environment. Suitable candidates will be ambitious and self-motivated, seeking a greater career challenge. In return our client can offer an excellent salary package and a full range of banking benefits.

Please apply directly to Sue Bennett or Felicity Hether on 01-606 1706 or send a Curriculum Vitae to the address below.

Anderson, Squires Ltd

Financial Recruitment Specialists
127 Cheapside, London EC2 6BU

Anderson, Squires

FOREIGN EXCHANGE CONSULTANT / DEALER

THE JOB
The job entails providing professional consulting/trading services to major international companies and financial institutions in Europe. Consultancy is given at the highest corporate levels in an international environment with frequent travel.

THE QUALIFICATIONS
He/she will have a degree in economics and/or finance or equivalent experience. Our candidate will be highly educated twenties to late thirties and must have gained professional experience in the international currency markets.

EXPERIENCE
The candidate should have worked with a European company/bank for at least two years in an international treasury/finance position and he/she must be a self-starting individual.

Please address curriculum vitae to:

FINTECH (U.K.) LIMITED
FINANCIAL AND TECHNICAL SERVICES (U.K.) LIMITED
14 High Street, Windsor, Berkshire SL4 1LD
0753 842222

AMBITIOUS LENDING BANKER

This is an ideal first move for a graduate clearing banker. Providing current account banking facilities primarily responsible for marketing to corporate customers, you will also be expected to identify and develop new business opportunities. Managing the current account services, an up to date knowledge of money transmission is also essential. You should be a good communicator, able to negotiate effectively at all levels with corporate customers.

MARKETING STERLING OPERATIONS

This is a key position in the management team responsible for marketing and servicing current account banking facilities. Primarily responsible for marketing to corporate customers, you will also be expected to identify and develop new business opportunities. Managing the current account services, an up to date knowledge of money transmission is also essential. You should be a good communicator, able to negotiate effectively at all levels with corporate customers.

Broker Services Limited

General Manager—Settlement

Glasgow

Broker Services Limited's exceptional growth in the provision of clearing services for major United Kingdom and overseas Stockbroking Firms and Investment houses has created the need for a General Manager—Settlement. The role is accountable to the Chief Operations Officer for over 100 staff located in London and Glasgow engaged in the settlement of transactions within the United Kingdom and overseas on behalf of clients.

As the job requires close liaison with the Stock Exchange and other regulatory bodies, coupled with proven

management skills, it is unlikely that anyone under the age of 35 will have the necessary depth and breadth of experience. The ideal candidate will probably have membership of the Stock Exchange, and be already running a settlement function involving 200-250 employees, for a major UK Stockbroker. Alternatively, experience could have been gained in the securities sector of banking. Knowledge of overseas markets would be desirable.

Though accountable for both London and Glasgow offices, the successful applicant will be located in Glasgow.

Price Waterhouse



The total compensation package reflects the importance of this new role and will attract applicants with a proven track record who are seeking a challenge along with good long term career and salary prospects.

Please send full CV with present salary, in complete confidence quoting reference MCS/14 to David Gibb, Executive Selection Division, Price Waterhouse Management Consultants, 1 Blythwood Square, Glasgow G2 4AD.

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28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309 / 1085

SENIOR FX DEALER

We are seeking to recruit an enterprising dealer to assist in the continuing development of our FX activities. The major emphasis of our FX operations is on forward dollar mark trading and servicing a growing customer base, both spot and forward. The ideal candidate will have a minimum of four years' experience, gained principally in trading forward currencies, but also with some exposure to spot operations. The remuneration package is competitive and will include a performance-related bonus.

Please apply in writing to:
The Personnel Manager,
BAYERISCHE LANDES BANK GIROZENTRALE
33 King Street, London EC2V 8EE

Director Intermediary and Overseas Sales

FINANCIAL SERVICES

The company - part of a major British group - markets a range of services in the provision of unit-linked life assurance, pensions, insurance broking, investment in unit trusts and off-shore funds. Funds under management exceed £2 billion.

• **THE ROLE** is to develop business in insurance broking; in sales to intermediaries and in the overseas markets. European travel is involved.

• **THE NEED** is for a graduate or professionally qualified person with successful, closely related experience at senior level with demonstrable strengths in Sales and Marketing. Age range 35-55. Remuneration c. £40,000 plus excellent additional benefits.

Write in complete confidence to:

St. James's Corporate Consulting

Dept. 35, St. James's House, 4/7 Red Lion Court, Fleet Street, London EC4A 3EB

"Start up" situation for major bank

SECURITIES SETTLEMENTS MANAGER

c.£30,000 + car + benefits

Our client is a well known banking institution involved recently in the establishment of an investment banking subsidiary. Its traditional strengths will ensure considerable trading volumes; not only in U.S. Treasuries, Eurobonds and a wide range of other fixed income and money market areas, but also "off Balance Sheet" products.

The organisation places a high premium on the quality of its management and seeks an outstanding individual to manage all aspects of back-office administration; so that as well as controlling settlements, the candidate should have a strong awareness of new products, cash management/control and accounting.

BBM

ASSOCIATES

CONSULTANTS IN RECRUITMENT

Investment Banker/Deal Maker

MMG Patricof & Co Ltd is engaged in advisory and merger and acquisition work for entrepreneurial companies. Our strength is in helping our clients to identify and realise international opportunities. We work closely with affiliates in New York, Palo Alto and Paris and we focus on larger opportunities in growth industry sectors such as electronics, health care and communications where our venture capital colleagues in Alan Patricof Associates have complementary activities. We are seeking individuals who combine deal making skills with excellent knowledge of a dynamic industry sector. Desirable candidates are likely to be in their 30s with a background in management consulting and/or international investment banking, who have good personal contacts with decision-makers. Experience in acquisition evaluation and implementation with an entrepreneurial international company would be highly relevant. Language ability would also be valuable.

Profit sharing will form part of an excellent remuneration package.

Please write, enclosing a full curriculum vitae together with a letter explaining how you could contribute to our further growth, to:

Raymond Douse, Managing Director
MMG Patricof & Co. Ltd
24 Upper Brook Street, London, W1Y 1PD

CORPORATE FINANCE

Hoare Govett's highly respected Corporate Finance Department is currently expanding and we need to recruit two additional people:

• The senior appointment is for a professionally qualified person who has had several years experience in Corporate Finance either with a bank or broking house. If you are looking to join a highly motivated team with a broad client base we could offer you a very challenging opportunity.

• Our second vacancy would also suit a professionally qualified person (either law or accountancy) in their mid-twenties; ideally with some experience of corporate work. We can offer a very demanding environment in which to develop skills amongst leading experts in this field.

It is our policy only to recruit the very best personnel and to reward them appropriately. If you think that you meet our requirements please write with a full Curriculum Vitae to:

Ruth Colley

Personnel Manager

Hoare Govett Limited

4 Broadgate, London EC2M 7LE

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HOARE GOVETT

Morgan Guaranty Ltd COMMERCIAL LAWYER

International Capital Markets

Morgan Guaranty Ltd is the capital markets affiliate of Morgan Guaranty Trust Company, one of the world's premier financial institutions with offices in major financial centres worldwide and assets exceeding \$67 billion.

We are presently seeking a solicitor to join our transaction execution team. You should have at least three years' post qualification experience gained in a leading practice. The appointment offers wide exposure to the international capital markets which will include swaps, bond issues, loan syndications, euro-commercial paper and corporate finance generally.

Remuneration will include an attractive salary and benefits package including a company car, a profit sharing bonus, a mortgage subsidy, a non-contributory pension scheme, and medical and life insurance plans.

Write, with full career details or telephone for a form or an initial discussion, all in complete confidence to Philip Johnson or Roland Orr as advisors at Roland Orr & Partners, Management Consultants, 12 New Burlington Street, London W1X 1FF. Telephone 01-439 6891.

Investment Officer

Circa £18,500

We seek an experienced Investment Officer and/or qualified accountant with relevant experience to control all the accounting and investment administration of the County Council's superannuation fund. Proven managerial ability is essential as the successful candidate will head a team responsible for the administration of a fund valued at £450m which employs four investment managers and two property advisers. Investment of the fund is undertaken on a worldwide basis involving numerous marketmakers/brokers. There is emphasis on investment research associated with the validation and interpretation of portfolio performance statistics.

There is a need for the successful candidate to maintain good effective relationships with the fund managers and display a keen interest in all investment matters.

The benefits we offer include:

* relocation package up to £6000

* temporary housing available

For more information about these posts, phone Mike Wells, Principal Assistant County Treasurer, on Maidstone (0622) 571411 ext. 4550.

For an application form and job description write to the Departmental Personnel Officer, County Treasurer's Department, County Hall, Maidstone, Kent or telephone 0622 671411 ext. 4574. Closing date for receipt of completed application forms 27th February 1987.

Kent County Council

INTERNATIONAL SPECIALISTS

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THORNBURNE & ASSOCIATES, Box 1226, 1001 Lausanne, Switzerland



MANAGEMENT CONSULTANCY

Opportunity for shareholding and directorship

Orr & Boss and Partners was founded by two of the pioneers of management consultancy in Europe. Over recent years, the new Orr & Boss companies formed in Switzerland and USA, with employee participation have been very successful. Now the original UK company is restructuring its ownership to involve the senior consultancy staff. Our highly motivated team covers all aspects of management consultancy which lead to improvements in client profitability. Recently our work in the manufacturing and financial sectors has involved new approaches to INFORMATION TECHNOLOGY, RESOURCE UTILISATION and the MOTIVATION OF KEY STAFF.

Our new structure provides an opportunity for someone who is developing a consultancy service complementary to that of Orr & Boss, but who would gain through becoming a director and shareholder of a well managed, financially sound, firm of management consultants which has been held in high esteem for 40 years.

If you are a creative senior consultant with a record of success in negotiating at the highest level and would like to explore this exciting opportunity please send your C.V., etc. to:

Gordon Walker, Managing Director,
THE ORR & BOSS GROUP OF COMPANIES,
62 St. Martin's Lane, London WC2N 4JS.

ORR & BOSS

Institutional Equity Sales

Prudential-Bache Capital Funding (Equities) Limited is a leading London broker that is part of the Prudential Securities Group Inc., itself a subsidiary of the largest non-bank financial institution in the world, the Prudential Insurance Company of America. We have the financial backing and the global distribution systems associated with a leading US investment bank.

Continuing expansion of our UK, Canadian and US Equity Sales departments means that we are now looking for senior sales people with experience in Institutional Equity Sales.

Your experience will already have been gained in a transaction-orientated research sales role. You will have established a proven record of success in marketing equities to UK institutions and you will be looking for a company that recognises and rewards success.

If you fulfil the above requirements and are interested in joining an energetic and professional sales team with a company that is on the move, please contact: Fraser Jennings (UK Equities), Tony Marshall (Canadian Equities) or Ray Giles (US Equities) at Prudential-Bache Capital Funding, 9 Devonshire Square, London EC2, Telephone 01-283 9166.

Prudential-Bache Capital Funding (Equities) Limited

A Career in Investment Management?

(Bonds, Futures, Options, Mortgages)

The development of our Fund management business requires additional expertise in the fixed interest and currency markets. The successful applicant will be expected to contribute to the Fixed Interest team formulating economic and market analysis and assisting in managing client portfolios.

He or she will have a good degree, preferably 1-2 years experience in an investment or banking environment and be in the age range 22-26.

This is a challenging opportunity for the right candidate and a competitive package will be offered. Foreign & Colonial Management Group is one of the oldest and best established investment groups in the City of London. With over £2 billion under management the Group manages the portfolios of investment trusts, unit trusts, pension funds, charities and private clients.

Apply in confidence to Adam Parkin, Foreign & Colonial Management Limited, 1 Laurence Pountney Hill, London EC4. (Tel: 01-623 4680).

Foreign & Colonial
MANAGEMENT GROUP

BULLION BROKER

EXCO INTERNATIONAL p.l.c.

is shortly to transfer the activities of its Zurich based bullion broking subsidiary to London. The new company is looking for staff with at least 2 years experience of bullion broking or trading. Salary packages will be competitive and include a profit related bonus.

Please apply with full C.V. to Paul W. Burnand, Director, Exco International p.l.c., 80, Cannon Street, London EC4N 6LJ. Tel: 01-623 4040.

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For a confidential discussion Tel: Tony Lee on 01-434 0511
Fletcher Hunt, Prudential House, 77 Oxford Street, London W1R 1HS

DIRECTOR COMMONWEALTH PRESS UNION

Applications are invited for the appointment of Director of the Commonwealth Press Union, which serves the interests of member newspapers, news agencies and periodicals throughout the Commonwealth. The post is London-based and the successful candidate will be expected to assume operational duties as soon as possible.

The activities of the Union concern Press freedom, newspaper management and journalistic training and telecommunications generally.

Some knowledge of the media and of the Commonwealth is desirable. Administrative and executive experience are prime requirements. The successful candidate will be responsible for implementation of agreed policies; organising conferences; ensuring proper financial and administrative control and supervising a small secretariat. Occasional overseas travel is involved.

Age—preferably early 50s. Salary negotiable. Non-contributory pension scheme and company car. Applications, by 15th March 1987, in confidence with a full c.v. and naming two referees, to:

Vice-Chairman of Council,
Commonwealth Press Union, Studio House
Hen & Chickens Court, 184 Fleet Street
London EC4A 2DU, England

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Connaught

Background in Securities Investment? Align Your Career with a Leader c.£25k with Benefits

Southern's Selection

FORWARDS DEALER £18-35,000 + Neg
As a result of expansion many of our clients, US, European, English and Antipodean are seeking experienced forwards dealers. You should have a solid background in the forwards market gained with active trading banks. Ideally with at least one year's experience with any currency, aged 20+ and now seeking a positive career advancement. Remuneration will be negotiable.

SPOT DEALERS £18-40,000 AAE
We are currently seeking, for a number of our clients, spot dealers to join existing teams within their banks. Our clients are leading European and US banks who are looking for dealers with between 1-3 years' experience with various currencies, including Cable, \$/DMK, £/DMK, Yen or any other major currency. Remuneration level will be according to age and experience.

OPTIONS
Our client, a major American bank is seeking a person to head up and run their options on the sales desk, within their City branch. Experience in this area is essential. They are also seeking to recruit options traders for the foreign exchange side. Candidates will ideally be a graduate in their early to mid-twenties, with some experience in that field. Salary will be negotiable.

FINANCIAL FUTURES DEALER £Neg
Our client, a highly respectable international bank, seek an experienced financial futures dealer to establish and run their futures desk. Candidates ideally aged in their early to late twenties, should have a strong background in the financial futures area, plus experience with various currencies. Particular experience is required in Euros, Sterling and T-Bond contracts. Salary will be commensurate with experience.

Roger Parker Bunge House, St Mary Axe, London EC3A 5AT 01-929 1212
FX, TREASURY AND CAPITAL MARKETS RECRUITMENT SPECIALISTS

SOCIETE GENERALE MERCHANT BANK plc
The International merchant bank or Société Générale, Paris

FRENCH EQUITIES
Sales Executive
Research Analyst
Sales Trader
Trainee Market Maker

The Investment Department of the Merchant Bank seeks to augment its existing French Equities team. Professional experience in this particular market is not essential, but fluency in French would be a distinct advantage.

If you would like to be considered for any of these four appointments, please write in confidence to:

**Tom Orsler, Head of Management Services,
Société Générale Merchant Bank plc,
7th Floor, 60 Gracechurch Street,
London EC3V 0ET.**

Jonathan Wren

SENIOR MANAGERS ASSET FINANCE INTERNATIONAL BANK £Negotiable + full benefits package

As a leading international bank, our client is an integral part of an extensive network of branches and banking subsidiaries worldwide. Their marked success in the field of major asset finance has led to the identification of two additional senior appointments based in London.

- With responsibility for an expanding aircraft portfolio the successful applicant's prime function will involve the identification, negotiation and structuring of aircraft finance transactions. Aged 26-35 years, of graduate calibre, the appointee will possess a sound knowledge of the current UK and International markets and the technical ability to take advantage of the exciting mix of financial instruments at his/her disposal.
- To complement the skills of the aircraft finance specialist above, we request applications from similarly qualified individuals whose leasing experience has developed from a general asset base and whose strengths lie in the provision of financial advisory services and the innovative "packaging" of complex leasing transactions.

Both positions offer the opportunity to become an integral member of the management team and an attractive remuneration package is offered in line with the seniority of these appointments. Contact Jill Backhouse.

All applications will be treated in strict confidence

LONDON BRUSSELS HONG KONG SYDNEY

Jonathan Wren

Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-623 1266. Fax: 01-626 5258.

Banking Manager in East Anglia

£25,000 + Bank Benefits + Company Car

As part of its regional strategy our client, a city based bank, is planning to develop a presence in East Anglia.

This presence requires a Banking Manager with at least 10 years all round banking experience with a UK clearing bank and particular experience in UK commercial lending.

The successful candidate will also have the following attributes:

- * Local knowledge of East Anglia
- * Good communicator
- * Good marketing experience
- * Able to work on own initiative
- * Preferred age 30-45

Salary will be negotiable c. £25,000 and benefits will include a company car, cheap mortgage facilities, and pension and life assurance.

Please write in strict confidence with your curriculum vitae to: K. W. Causton (Ref. BM/11), Kenneth Causton & Associates, 152 Fleet Street, London EC4A 2DH. If there are any companies in which you would not be interested, please state separately.

Kenneth Causton & Associates
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Jane Liversidge 01-248 5265 Daniel Berry 01-248 4782 Emma Cox 01-235 3768

Compliance – IMRO Senior Managerial Appointment

Candidates:

Senior financial service specialists currently with a major accounting/legal firm or a substantial City institution. Experience of investigations and management are essential and of training staff and EDP an advantage.

The Role:

A key position, of Manager – Compliance, at IMRO, an organisation at the heart of regulation and compliance in the investment sector.

Responsibilities:

Managing teams of specialists, on inspections and investigations relating to a wide variety of fund management and investment advisory businesses ranging from the major merchant and investment banks to the smaller independent concerns.

Rewards:

Substantial – variety, intellectual and personal challenge, a thorough grasp of the total UK investment sector and a remuneration package that will not prove a problem for the right person.

For further details, please contact Nick Root on 01-404 5751, or write enclosing a full c.v. to Michael Page City, 39-41 Parker Street, London WC2B 5LH. Strict confidentiality assured.



Michael Page City

International Recruitment Consultants – London Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

Investment Analyst

Our client, a major international investment banking and securities house, now seeks an exceptional analyst to join a small team investing actively in equity markets.

Candidates, probably graduates in their mid twenties, will either have experience of investment analysis gained within a trading or fund management environment or be recently qualified accountants. The ability to respond quickly to changing conditions and to communicate ideas effectively is essential.

Working as part of the in-house trading team, responsibility will be for covering special situations within UK, European and Far Eastern equity markets. The role includes complete involvement in the activities of the team and should appeal to ambitious, entrepreneurial individuals.

There will be an attractive salary with substantial bonus potential. Please contact Stephen Embleton, who will treat all enquiries in complete confidence.

Lloyd Chapman
Associates

International
Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-409 1371

Commission Sales Person (Securities Markets)

Central London

A US Securities House specialising in companies in the US electronics and medical industries require a Commission Sales Person (preferably early 30's) to develop relationships with European investment institutions. The applicant should be educated to degree level, be familiar with the US Securities market and in particular the medical and electronics industries. He or she will be required to organise and participate in promotional presentations.

Remuneration of £26,000 + is offered together with the possibility of commission on brokerage business.

Please send a full CV to Victoria Fielding, PER, 4-12 Regent Street, London SW1Y 4PP.



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Banking

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Our client, within the World's Top 20 Banks, is currently embarking on an expansion of its International Securities and Investment business.

A consequent re-organisation of its Administration Department has created a new position, with responsibility for supervision of a small section, involved in the processing of Eurobond, Gilt, Treasury Bond and domestic Bond transactions including the funding and accounting for these instruments.

Candidates should be well educated, aged 25+ and possess the personal qualities necessary and relevant background to contribute effectively in this key role, important to the Bank's development plans.

A full benefits package will be offered to the successful candidate including a competitive salary and twice yearly bonus.

BANK
RECRUITMENT
CONSULTANTS

Gordon Brown

5TH FLOOR LONDON WALL
LONDON EC2C 5TB
TELE: 01-830 7801

Compliance Director

City

LAUTRO, the Life Assurance and Unit Trust Regulatory Organisation, has been formed to monitor and regulate the marketing of life assurance and unit trust products. It is anticipated that the membership will reflect the leading names in this sector.

A Compliance Director is sought to lead the team which will ensure that members, and their employees, comply with the highest professional standards in their dealings with the public. Key tasks will involve methodology and functional development, liaison with members at senior levels and recommendations on compliance issues.

Candidates, probably in their mid 40's to mid 50's, must offer a high degree of personal and professional integrity, together with strong analytical and management skills. Experience may have been gained in a wide variety of careers, but perhaps

ideally in the life assurance or unit trust industry. Additional requirements include organisation and planning ability as well as an awareness of commercial and business pressures.

The remuneration package will be attractive to candidates of the highest calibre.

Please reply to Martin Manning in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 1709 on both envelope and letter.

£Excellent

**Deloitte
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Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Senior Manager U.K. Corporate Lending

£30,000 - £35,000 + Car and Bank Benefits City Bank

Our client is a well established City bank which has experienced dramatic growth in recent years and now wishes to strengthen the management team in its UK Corporate Lending division.

With the expected continued growth, the successful candidate must be able to show considerable experience in marketing UK corporates with success. It is also essential that the individual has received comprehensive training and practical experience in credit and inter-personal skills.

It is unlikely that the successful candidate will be aged under 35.

Salary is negotiable £30,000 - £35,000 and in addition to a company car the usual bank benefits will be provided.

Please write with details of your career to date to Clifford Grant, (Ref. FT/SM), Vine Potterton Limited, 152/153 Fleet Street, London EC4A 2DH. Please state separately any companies in which you would not be interested.

**VINE POTTERTON
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The Securities subsidiary of a large, prestigious American banking group is offering a unique opportunity to take a leadership role within its trading team.

Based in London (after a brief orientation programme in the U.S.) and reporting to the Managing Director, you will have a minimum of four years trading experience, a high level of expertise with fixed income/money market securities and be an experienced market maker. You will have traded and/or managed trading some of the following: ECP, CDs (US Dollar

and Non-Dollar), Governments and Futures and are up to the challenge of further developing the team's strong position in money market instruments. The longer term view will be to leverage into Eurobond issues. Ideally you will be 28-35, familiar with the US Corporate names and of management calibre.

This chance for broadening your market expertise and for rapid career progression while being appreciated and generously compensated can only be described as rare. Please telephone or write in confidence to Jan Wolf quoting Ref: JW109.

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160 New Bond Street, London W1Y 0PR
Telephone: 01-409 1371

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The ideal candidates are recent graduates whose motivation and adaptability have already been demonstrated by

outstanding academic and extra-curricular achievements. The successful candidate will find that his/her broad academic background is essential to tackle the challenge of working creatively in a fast-changing environment. Perfect fluency in English and immediate availability are essential.

If you are interested in a career in a fast moving business environment, with an international perspective and commensurate rewards, write today to:

Personnel Department (Ref. FEAS),
Morgan Guaranty Trust Company - Corso
Venezia 64 - 20121 Milano.

Morgan Guaranty Trust Company

FUND VALUER
Manchester Fund Valuer required for highly-paid position.
Suitable applicant will be an existing valuer with a Unit Trust Group or Insurance Company.
Substantial increase on present salary and benefits.

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These must be some of the most challenging and exciting life and pensions development appointments available at the moment, for which we will negotiate an excellent salary and benefits package.

Please apply in writing or by telephone to: Mr John Henney,
Personnel Department, Crusader Insurance plc, Reigate,
Surrey RH2 8BL. Tel: (0737) 42424.

CRUSADER Insurance plc

We are offering an outstanding opportunity to a talented professional to be in at the beginning of an exciting new venture. Supported by the experience and expertise which have established our pre-eminence in the management of Mutual Insurance Associations you will assume front-line underwriting responsibility for a group of Professional Indemnity Associations.

This appointment will provide you with the scope to be an innovative and influential member of an able and highly motivated team.

Your successful track record is likely to reflect an analytical ability and flair enabling you to produce reliable and competitive solutions quickly under pressure. Your up-to-date knowledge of the market must be complemented by numeracy and computer literacy.

If you value excellence, service and integrity to the extent that we do you will relish the challenge of a highly professional environment which encourages and rewards achievement.

Please write, providing full educational and career details to:

SENIOR UNDERWRITER

PROFESSIONAL INDEMNITY

Richard Scambler, Personnel Director
THOMAS MILLER & CO.

International House, 26 Creechurh Lane, London EC3A 5BA

Tel: 01-283 4646

DUNEDIN

Ambitious Investment Professionals

Join the international financial community with this major Edinburgh based Investment House. Assets managed by Dunedin Fund Managers exceed \$1.5 billion and their performance record is strong. Consistent growth requires that resources be increased and the Company therefore seeks to recruit the following key individuals:

Investment Specialist: Far East Desk

Initially you will assist senior colleagues in analysis of market information and in database management. Thorough understanding of all aspects of the markets will be developed through liaison with advisers and with members of Dunedin's office in Tokyo. As the role develops, you will travel throughout the Far East.

Aged mid to late 20's, a graduate or professionally qualified you will have acquired 2-3 years' relevant investment experience and be ready to sharpen your skills within a specialist team. Advancement will be to a fund management role and further prospects are extremely good.

The salary, terms and conditions for both positions are attractive. Please write enclosing a detailed CV to Peter Smolka of Cripps, Sears & Associates Limited, Personnel Management Consultants, Rutland House, 12 Rutland Square, Edinburgh, EH1 2BB. Tel: 031-228 2281.

Cripps, Sears

A fresh start for successful business people

Hill Samuel Investment Services Limited is a leader in providing its clients with a complete personal financial service. Pensions, unit trusts, investments, personal portfolio management and life assurance are just some of our areas of involvement.

We recognise that it takes a very special person to explain these services and to advise our clients on how best to manage their money successfully.

If you are aged between 25-55, self-motivated and enjoy dealing with people, that person could be you.

If you are looking for an opportunity to develop a new career, talk to Hill Samuel. North London Tel: John Studd on 0813 29241. South London Tel: Keith A. Gray on 01-684 4355 or write to J. Stafford, Hill Samuel Investment Services Limited, Star House, Clarendon Road, Watford, Herts. WD1 1EP.

HILL SAMUEL
INVESTMENT SERVICES

PROPERTY CONSULTANCY

Major international property consultancy seeks retail specialist to develop practice in London office. The following background is essential:

- Minimum 15 years relevant retail consultancy experience, with at least Australian markets.
- Evidence of establishing and managing a retail research and development strategy which includes in-depth knowledge of retail and consumer market research methodology, techniques and applications.
- Consulting experience to embrace all aspects of shopping centre development, including speciality and leisure centres.
- Established credibility and a high profile in the industry, which will certainly have included articles in trade publications, relevant public speaking engagements and participation at conferences.
- Postgraduate degree, such as an M.B.A.
- Generous remuneration package is available to the right candidate, who is likely to be in age group 37-47.

Please apply initially to Box A0414, Financial Times, 10 Cannon Street, London EC4P 4BY by not later than 25th February.

PRIVATE CLIENT DEVELOPMENT

*A Key appointment within the recently established
West End office of a leading UK stockbroker*

£35,000 (neg) + benefits

Our client seeks an exceptional individual to develop its customer base among high net worth individuals located in the UK and overseas. Liaising with existing users and their advisers, you will expect to develop your present client base, expand contacts with professional intermediaries and potential clients and find ways of promoting the business.

You should possess a background in stockbroking or fund management, requisite social and business contacts and at least five years experience handling private clients. A track record in new business development is essential as is the ability to achieve results without compromising existing high standards. The appointment offers an exciting opportunity in a dynamic environment, supported by the resources of a major international bank.

For full job description write in confidence to Mark Lockett quoting ref. 623/FT showing clearly how you meet our client's requirements.

**MARK
LOCKETT**
RECRUITMENT

MLR,
1 New Bond Street,
London W1Y 9PE.
Both men and women may apply.

Senior Construction Contract Lawyer

An opportunity has arisen for a Lawyer experienced in the drafting and negotiation of U.K. and International Construction and Project Finance contracts.

Our Commercial Property Department (dealing with institutional and overseas investors, developers and space users) generates a considerable flow of building contract work. Our Corporate Department deals with many large project financings and engineering projects, often of a high public profile, in many parts of the world.

We are looking for someone of outstanding quality and experience, personal commitment and ambition. We expect the successful candidate to have the ability to assume a key role in consolidating the continued growth of this area of our practice. The financial rewards will be substantial and the career prospects excellent.

Please apply with full C.V. to:

Mrs Alison Dickinson,
Linklaters & Paines,
Barrington House,
59/67 Gresham Street,
London EC2V 7JA

LINKLATERS & PAINES

Business Analyst/Raters

Credit evaluation
Central London
£25,000 - £36,000 + benefits

In Spring 1987 a new prestigious backed company opens in London with an excellent service to sell a top quality credit evaluation service specifically for the Euromarkets.

They are now looking for a team of high calibre professional analysts and raters to cover the company's multi-disciplined approach to the European market. Specifically, vacancies are for Corporate Analysts both junior and senior and a senior Bank/Sovereign Analyst.

It is anticipated that successful

candidates may be frustrated with their current banking, credit insurance, chartered accountancy, or other rating agency environment and are looking for a smaller company with greater participation and potential growth. The personal qualities necessary to fit in with our client's corporate philosophies are professionalism and pride in your work, interpersonal ease at all levels, generating fruitful and economic information. Excellent communication skills, both written and spoken, are vital and a second

European language will be highly desirable due to the international context of the work.

Career progression will be linked to company growth.

Please send full CV in confidence quoting reference MCS/3020 to:
Tracey Phillips
Executive Selection Division
Price Waterhouse
Management Consultants
1 London Bridge
London SE1 9QL

Price Waterhouse

DEPUTY EDITOR

Financial Adviser, the new weekly newspaper for intermediaries, shortly to be launched by Financial Times Business Information, seeks a Deputy Editor.

He or she must have working knowledge of the financial sector as well as having organisational and production ability. An excellent salary is available to someone who can demonstrate the potential for leadership.

Applications to:

Steve Bevan
Personnel Officer
FTBI
Greystoke Place
Fetter Lane
London EC4A 1ND



Williams de Broë

RESEARCH-EUROPE

We are a London firm of stockbrokers, associated with Banque Bruxelles Lambert, Brussels and Banque Louis-Dreyfus, Paris.

We wish to recruit both experienced Investment analysts and graduate trainees for research into European companies and stock markets. Excellent clear written English and a good working knowledge of French are essential.

Attractive remuneration packages are available.

Apply to:

N.R. Woodfield,
Williams de Broë Hill Chaplin & Company Limited
Pinners Hall, Austin Friars, London EC2P 2HS

SALES EXECUTIVES/ASSISTANTS

Trading Support Systems

City. c.£45K/£20K Packages

Whether you are already selling on-line financial information services to City institutions, or are keen to break into this exciting market, our client can offer exceptional opportunities within both the sales and support functions.

It is essential that you have an understanding of the securities markets and the greater your sales/systems experience the higher the initial rewards. An additional European language would be useful.

Remuneration is by way of highly competitive salaries plus a bonus scheme involving share participation.

To apply, please telephone or write to Brian Burgess quoting Ref. BB121, Lloyd Chapman Associates, 160 New Bond Street, London W1Y 0HR. Telephone: 01-409 1371

OIL PRODUCTS BROKER

Major oil products brokers seek an experienced Petroleum Products Broker. Candidates should have spent at least two to three years in products trading with an oil company, trading or brokerage firm. Please apply, in confidence, with a full c.v. to:

Box A0417, Financial Times
10 Cannon Street, London EC4P 4BY

DIRECTOR OF FINANCE

BOARD APPOINTMENT

PRESTON EXCELLENT BENEFITS & RELOCATION

Ribble Motor Services Limited is one of the leading bus and coach companies in the North West. It has a turnover of £25 million pa from the operation of some 650 buses, mini-buses and coaches on local services, countywide express, holiday tours and other coaching operations including continental activities. It also has 20 travel agencies and provides engineering services from its comprehensively equipped central workshops.

Road Passenger Transport has entered into a period of great opportunity as a result of the Transport Act 1985 and the Company stands at the threshold of privatisation. The person appointed will contribute significantly to the Company's strategy during this exciting time.

Based in Preston, Lancashire, a pleasant town close to the picturesque Fylde coast, Lake District and moorlands of the Pennines, you will, as a Board Director report to the Managing Director and be responsible for the overall financial welfare of the organisation. You will be a well qualified accountant, with a proven record of success and possess the following qualities:

- Realistic attitude to change, unencumbered by preconceived notions.
- A self-starter with track record of contributing to the profitability of his/her employing companies.
- The ability to originate and implement innovative systems to cope with changing circumstances.
- Ability to provide leadership which by example engenders enthusiasm and an attitude of confidence in his/her staff.
- Hands on experience of microcomputers.
- Knowledge of the secretarial and legal requirements of a free-standing, private company as the person appointed will also be Company Secretary.

In return, we offer a salary of c.£21,000 and benefits package, which includes BUPA, pension scheme, executive car, re-location expenses where appropriate and the pleasure of residing in pleasant surroundings.

Replies in confidence with a full curriculum vitae, including details of current earnings to Ian A.E. Chapman, Managing Director, Ribble Motor Services Limited, Frenchwood Avenue, PRESTON, Lancashire, PR1 4LU.



RIBBLE

INVESTMENT MANAGEMENT

MORGAN STANLEY ASSET MANAGEMENT

PORTFOLIO ADMINISTRATOR

AGE 22-30 YEARS

Morgan Stanley requires a further Administrator to join an existing team supervising the administrative aspects of the firm's global investment work.

Acting as liaison between clients and back office functions, the successful applicant will take responsibility for a group of investment accounts and will be exposed to the settlement, valuation and accounting needs of clients throughout the world, in the equity, fixed income and foreign exchange markets.

A minimum of two years' administration experience in a leading investment house is essential.

This is an exceptional opportunity offering both immediate responsibility and excellent career potential within one of the world's leading investment services firms.

The remuneration will be attractive to the right candidate.

Applications in writing with full cv to:

Colin E. Kepp Esq.,
Morgan Stanley Asset Management,
PO Box 132, Commercial Union Building,
1 Undershaft, London, EC3P 3HB.

F/X & TREASURY

SPOT/FORWARD DEALERS to £30,000

Our client, a major international bank, runs a very active and successful dealing activity. It has recently increased its dealing room complement and is expanding its range of treasury instruments. As a result, opportunities now exist on the Spot and Forward desks for dealers with experience from an active dealing room. Candidates (aged up to 33) should have at least two years' dealing experience of major currencies. Career prospects are excellent in an expanding environment.

Please telephone Joanna Davies or Jonathan Holmes on 01-606 1706

Anderson, Squires Ltd
Financial Recruitment Specialists
127 Cheapside, London EC2V 6BU

CORPORATE DEALER to £30,000

This is an outstanding opportunity for an ambitious Corporate Dealer to join a highly professional team within one of London's largest trading rooms. The position will suit an individual, who has at least two years' experience as a trader or technical analyst, with a broad knowledge of treasury products. The ideal candidate will be servicing a top class client base with particular emphasis on the major, high volume UK corporates.

DEPOSITS DEALER c£25,000

A large, highly respected bank has undertaken an exciting phase of growth, increasing its FX and money market trading capacity. In line with this an experienced Deposits Dealer is required to assist in further developing the bank's traditional money market activities. The ideal candidate will have upwards of two years' experience of trading multi-currency deposits and be ambitious to progress in a wider environment.

Anderson, Squires

URBAN DEVELOPMENT CORPORATIONS

Chief Executives

c£36,000+car

The Government intend to establish four Urban Development Corporations, in the Black Country, Teesside, Tafford Park and Tyne & Wear. Chief Executives are sought for each of these UDCs.

The Chief Executive will be responsible to the Chairman and Board of the UDC.

The key task of the UDC is to invest public money to attract private sector investment. The Chief Executive will administer a complex spending programme and will need to negotiate with developers, financial institutions, and other private sector organisations.

The Chief Executive will have to work closely both with Central Government officials and with local authorities in the area concerned, who may act as agents for the UDC in providing services.

Those wishing to nominate candidates for the post, or candidates themselves, are invited to apply for further information to John Smith, Director Public Appointments, ref B. 57023.

MSL
Public Appointments

MSL International (UK) Limited
52 Grosvenor Gardens,
London SW1W 0AW

Opportunities in Relationship Management/Treasury

Citibank is one of the world's largest and most successful financial institutions. Due to continued expansion we now have the following vacancies.

Relationship Management - World Corporate Group

The World Corporate Group has responsibility for Citibank's prestigious multinational customer base throughout the world. We are seeking a Relationship Manager to join our Institutional team which markets primarily to the UK subsidiaries of foreign multinational corporations. This customer base is of considerable importance to Citibank in London and successful management of these relationships is key to Citibank's strategy of providing a premium service. The Institutional team is part of a global network of relationship managers marketing a wide range of products and services, both traditional and innovative, to these corporations.

Applicants should have a minimum of five years' experience as a relationship manager with a leading financial institution. Specific skill requirements are:

- the ability to work well in a team
- track record of building long term customer relationships
- deal orientation
- sound credit skills
- excellent interpersonal skills

Apply to Alison Emery, Group Personnel Officer.

Relationship Managers - Midlands and North

Through our regional office network, we provide merchant banking and commercial bank services, personalised to a selected base of private and public companies.

Our offices in the Midlands and North are amongst the longest established and most active in our regional base, with their own Treasury dealing rooms capable of handling the most complex customer requirements. The emphasis is on leveraged acquisitions, buyouts and other high value, complex products, providing a stimulating

environment for experienced and pro-active banking professionals. We envisage that the Relationship Managers will have at least 3 years' account management experience covering the full range of financial issues. You'll relish the independence and responsibility this role offers in developing revenues and handling several major relationships, but will also place a high value on the team effort so necessary for good client relationships.

Apply to Barbara Horsfall, Group Personnel Officer.

Treasury Consultancy

We are seeking a Senior Consultant and Junior Treasury Officers to join our Consulting and Treasury Products teams.

Based in London, the successful candidates will have responsibility for marketing and delivering the Bank's cash, exposure and treasury consulting services to corporate customers throughout Europe, Middle East and Africa. This will involve all aspects of treasury management including analysis, establishment of offshore vehicles, settlement systems and advising corporations on cash and exposure management.

Candidates should have a banking and/or professional accountancy background, fluency in a European language, experience in financial consulting techniques and, for the Senior

Consultant position, management expertise in leading consulting teams.

Apply to Sally Gould, Personnel Officer.

For all positions we offer a highly competitive salary and a full range of banking benefits.

Please send your full CV to Citibank NA, Citibank House, 336 Strand, London WC2R 1HB, marked for the attention of the appropriate individual.

CITIBANK
Citibank is an equal opportunity employer

Senior Pensions Consultant

London

The Client: An established, independent market leader in self-administered pension arrangements offering a range of related fund management, investment advice and employee benefit services.

The Job: To develop new self-administered pensions business and promote the additional services of the Company through firms of Chartered Accountants and other relevant professional intermediaries.

The Candidate: Ideally aged 27-40, you will have gained a broad training in the life and pensions industry before graduating to a more professional sales orientated role, preferably with an independent broker. A track record of marketing financial services to Accountants would be distinctly beneficial.

The Rewards: An extremely competitive remuneration package is offered, together with substantial bonus potential for a highly motivated individual. This is a unique opportunity to join a small, professional team within a diverse financial services organisation, offering first-class career potential.

Interested applicants should contact Ian Comyns or Neil Nokes on 01-404 5751 or write to them enclosing a comprehensive curriculum vitae at Michael Page City, 39-41 Parker Street, London WC2B 5LH. Strict confidentiality is assured.



Michael Page City

International Recruitment Consultants - London Brussels New York Paris Sydney

A member of Addison Consultancy Group PLC

Banking/Financial Services Experience

Business Development Manager

Midlands

to £20,000 + car + benefits

The Company: A highly respected and experienced leader in the provision of financial services to corporate clients throughout the UK. Associated with a major Financial Institution, its exceptional record and growth rate is due to the emphasis placed on providing the highest quality of professional service.

The Position: To play a vital role in the development of new business based in the Birmingham office but responsible for providing services to clients throughout a wide area of the Midlands.

The Candidate: Will be self motivated and assured with a professional approach. Aged 28-40 with experience within banking, financial services or related areas. A sound business awareness and good negotiating skills are essential to enable effective evaluation of business proposals.

The Prospects: The company can demonstrate excellent career prospects for individuals with the qualities to succeed within a fast moving commercial environment.

All applications will be treated in the strictest confidence. Please write, enclosing career details and quoting reference AHF100 to Financial Management Selection, 21 Cork Street, London W1X 1HB.

Financial Management Selection

Specialist Search and Selection Consultants

INTERNATIONAL EQUITY TRADER

Major U.S. investment bank wishes to employ a London-based individual for the above position.

Applications should be sent to Box No. A0407, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

Appointments Advertising

£43 per single column centimetre
Premium positions will be charged £52 per single column centimetre

For further information call:

Jane Liveridge 01-248 5205

Daniel Berry 01-248 4782

Emma Cox 01-236 3769

FOREIGN EXCHANGE DEALER

Experienced SPOT DEALER required in all major currencies for private individual

Minimum five years' active trading experience essential

Must be able to work shifts

West End-based Salary negotiable

Write with c.v. to:
Box A0392

Financial Times
10 Cannon Street
London EC4P 4BY

CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501

RECENTLY QUALIFIED ACTUARY

WELLINGTON - NEW ZEALAND

NZ\$60,000-NZ\$75,000

LEADING INTERNATIONAL FIRM OF CONSULTING ACTUARIES

This appointment is open to recently qualified Actuaries, aged 28-40 who are likely to have acquired experience either in consulting or in a life office, preferably, but not essentially in the pensions field. The successful candidate will be responsible for servicing up to 50 pensions clients, providing advice on technical aspects, benefits design and the provision of general actuarial advice etc. The ability to work efficiently in a small actuarial team and explain actuarial matters in lay terms is important. A full continuation training will be provided where necessary. Initial salary negotiable, NZ\$60,000-NZ\$75,000 plus housing mortgage, plus car, non contributory pension, free life assurance, free medical, relocation expenses. Applications in strict confidence under reference RCA 4668/FT, to the Managing Director: CJA.

An opportunity to make a career in a healthy climate in Australia. Emphasis is to head up technical operations in the Head Office or a Branch Office in 12-18 months

ASSISTANT ACTUARY CORPORATE FINANCE

A\$42,000-A\$55,000

SYDNEY, AUSTRALIA

LEADING AUSTRALIAN LIFE & GENERAL INSURANCE OFFICE, ASSETS C. £8 BILLION

We invite applications from recently qualified Actuaries, aged 26-35. Responsibilities will cover the exploring, developing and testing of current concepts, as they emerge, the development of computer modelling and taking a lead role in the forefront of the company's financial management. Ref: AACF4470/FT.

A number of other openings exist for qualified Actuaries in life, underwriting and general operations product development and sales for those who desire a career in Australia. Ref: AACF4472/FT.

Applications in strict confidence under the appropriate reference to the Managing Director: CJA.

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 OR 01-588 3576. TELEX: 887374. FAX: 01-256 8501.

ORGANISATIONS REQUIRING ASSISTANCE IN RECRUITMENT - PLEASE TELEPHONE 01-628 7581

SUPERANNUATION ACTUARIES

A\$45,000-A\$50,000

SYDNEY & WELLINGTON

Open to recently qualified Actuaries or those expecting to qualify in 1988. To work on pension plan designs, advice on funding levels, contribution rates and direct servicing between 75 and 200 schemes as technical adviser in one of the above locations. The ability to communicate lucidly and warrant further promotion to head-up a branch's actuarial activities within 18 months is important. Ref: SA4471/FT.

Full familiarisation training will be provided, salaries negotiable within above brackets, plus car, mortgage subsidy, full relocation expenses, non-contributory pension, free life assurance,

"A number of other openings exist for qualified Actuaries in life, underwriting and general operations product development and sales for those who desire a career in Australia. Ref: AACF4472/FT.

Applications in strict confidence under the appropriate reference to the Managing Director: CJA.

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 OR 01-588 3576. TELEX: 887374. FAX: 01-256 8501.

ORGANISATIONS REQUIRING ASSISTANCE IN RECRUITMENT - PLEASE TELEPHONE 01-628 7581

Private Banking - Business Development

Major Swiss bank

London base

If you have an outstanding track record in new business development in international private banking, this is an opportunity which should not be overlooked.

This top Swiss bank is strongly committed to the further growth of its business in international private banking. Your key activity will be the acquisition of new high-net-worth clients and frequent international travel will be involved. Once you have attracted a client to the bank, an investment manager will take responsibility for running the account.

Aged 30-45, you should have confidence in

your ability to develop new business in a cosmopolitan environment. In return, this prestigious bank offers a position with high personal status and visibility, and an attractive financial package will be negotiated.

I will be pleased to receive telephone enquiries at the number given below and these will be treated in strict confidence.

Alternatively, please send a brief cv to

Gary Gibbons, Financial Institutions Group,

quoting Ref: L130/GRG/FT.

Preliminary discussions can take place at

PA offices around the world.

PA Personnel Services

Executive Search • Selection • Psychometrics • Remuneration & Personnel Consultancy

Hyde Park House, 80a Knightsbridge, London SW1X 7LE.
Tel: 01-583 8666 Telex: 27874

Investment Manager

United States

Globe Investment Trust with gross assets of \$1bn wishes to recruit another fund manager to its American desk. As the successful candidate, you will be working closely with the current sole manager; after a period of initiation, it is envisaged that you will assume joint responsibility for the day to day management of the portfolio, which is currently \$130m. You will form part of a small team of 10 professionals within the assets of the company, but will be expected to have specialist knowledge of the US which will be augmented by regular business travel.

You will probably be in your mid to late twenties, and have gained directly related experience for at least 2 years in a financial institution or stockbrokers' office.

Starting salary will be negotiable depending on experience and will be part of an attractive financial package.

Please write in confidence with full curriculum vitae to:
Mr J P Craze, Secretary, Globe Investment Trust P.L.C.,
Electra House, Temple Place, London, WC2R 3EP.



Globe Investment Trust P.L.C.

HEAD OF EUROBOND SALES

This leading International Merchant Bank is seeking a high-calibre sales person to lead a young and dynamic team of seven. In their 20s the ideal candidate will have from three to five years' experience in bond sales covering European and Middle Eastern clients. A highly-competitive salary will be offered.

EUROBOND SALES

To join a highly-motivated and successful sales team, bond sales personnel, with at least six months' experience are required by this major International Merchant Bank. Candidates should have experience in either straight or FRN and preferably with a knowledge of a European language.

BOND SETTLEMENTS MANAGER

To lead a team of 24 in the settlements department of this well-established Merchant Bank an experienced candidate is sought with at least five years' experience in all settlement procedures as well as in supervision.

BOND SETTLEMENTS SUPERVISOR

Newly-established Merchant Bank is seeking a supervisor for its bond settlement section. The suitable candidate should have around three years' settlement experience and be able to supervise a team of two.

Interested candidates should contact:

Mark Hawking

on 01-236 8192

JAC RECRUITMENT

JAC

MANAGING DIRECTOR - AVIATION

Contribute to our success in this dynamic position responsible for developing and expanding the European aviation spare parts business. We are a subsidiary of a Fortune 100 company rapidly expanding our markets.

The successful candidate will possess an advanced degree in a related discipline and have a minimum of ten years' aviation industry experience. Responsibilities will include developing a sales strategy and marketing plan specific to the region and build account relationships.

We are a fast growing international aviation parts brokerage firm looking for an energetic, highly motivated person to manage our London-based office. Please submit your résumé with salary requirements to Barbara Fenton, Human Resources Manager.

Citcorp Export Services
10929 Vanowen Street
North Hollywood, CA, USA 90605

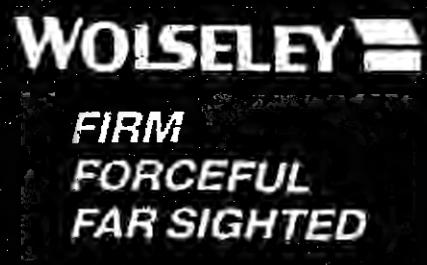
CORPORATE FINANCE EXECUTIVE

MAJOR WALL STREET INVESTMENT BANK

This position offers a rare opportunity for a young (22-26), numerate, hard-working graduate with initiative to join an expanding corporate finance team in one of the major Wall Street investment Banks. Banking or other financial experience would be an advantage.

The position involves supporting the corporate finance team and provides an opportunity for the successful candidate to develop his/her analytical, research and presentation skills in a dynamic environment. The corporate finance team focuses principally on merger and acquisition and equity-related transactions so client contact is an important feature of the job.

The successful candidate will be based in London and will report to the UK Director of Corporate Finance. Some overseas travel may be required. Remuneration will be competitive with the US Investment Banking business in London and will include a performance-related annual bonus. Please send your curriculum vitae with details of your current remuneration to:



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday February 18 1987



Fermenta loans hit Swedish bank

By Kevin Done in Stockholm

GÖTABANKEN, Sweden's fourth largest publicly quoted bank, has been forced to make heavy provisions against doubtful loans to Mr El-Sayed and Fermenta, the Swedish chemicals and antibiotics group which has been beset by scandals. The provisions have bitten deep into the bank's profits for 1986.

The bank said yesterday that group operating profits rose last year by only 20.7 per cent to SKr 687m (\$106m) compared with the jump of 97 per cent in operating profits reported after the first eight months.

The Swedish banking sector overall enjoyed record profits last year, but two leading banks, Göteborgs and Nordbanken, have failed to keep pace because of their exposure to Fermenta and in particular to Mr El-Sayed, the now discredited former majority shareholder and chief executive of Fermenta.

Götabanken said yesterday that it had made a provision of SKr 250m against risks involved in loans to Fermenta and Mr El-Sayed.

The bank is pursuing Mr El-Sayed through the Swedish courts for repayment of loans totalling SKr 570m, of which SKr 250m has been guaranteed by Volvo.

Separately, Götabanken agreed earlier this month to take part in the financial rescue of Fermenta by pumping in part of the SKr 110m in new loans provided by a consortium of four banks to help keep the group afloat.

So far the bank has not had to realise any losses on the loans to Mr El-Sayed and Fermenta, and it said yesterday that the special bad debt provision should cover all potential losses.

Götabanken reported a strong development in 1986

BUOYANT CAR GROUP'S RESULTS AHEAD OF EXPECTATIONS

Ford overtakes GM with \$3bn earnings

BY AMATO KALEKOTY IN NEW YORK

FORD MOTOR Company's profits jumped 29 per cent to \$2.3bn in 1986, overtaking the earnings of General Motors for the first time since 1924. The results slightly exceeded even the buoyant expectations of stock market analysts, and Ford's shares jumped \$2 to \$784 in early trading on Wall Street yes-

terday.

Ford's higher profits, which were equivalent to \$12.22 a share compared with the \$9.09 earned in 1985, came as a marked contrast to the weaker earnings declared earlier this month not only by GM but also by Chrysler.

They were based on a 6 per cent increase in worldwide sales volumes to 5.98m units and turnover of \$62.7bn, up 19 per cent on the year before.

GM and Chrysler both showed

BIG THREE CAR MANUFACTURERS			
Company	1986 Revenue \$m	% Change	1986 Net Income \$m
GM	102.8	+ 7	2,944.0
Ford	62.7	+ 19	3,300.0
Chrysler	22.55	+ 6	1,403.8

revenue growth of around 6 per cent last year and GM suffered an 8 per cent decline in unit sales.

Ford's fourth-quarter income was \$785m, or \$2.89 a share, the year before.

The key to Ford's good performance lies in its successful model launches both in the US and Europe and in the closer integration of the US and international operations.

In the US, the Taurus and Sable models, based on the European Si-

erra, have turned into runaway winners, with sales of 362,000 in the first year of full production.

Taurus became the best-selling car line in the US in the fourth quarter, Ford said.

Largely because of these models and Ford's continuing leadership in the small trucks market, the company's US operations earned \$2,468m in 1986, up 28 per cent on the year before.

In Europe, Ford's sales hit a re-

cord 1.5m units, generating net earnings of \$555m, 71 per cent up on 1985.

Ford attributed the rise in European earnings to operating cost efficiencies and the first full year of availability of the Scorpio model, which was named European Car of the Year in 1986.

The Scorpio will be introduced in the US market this spring, Ford said.

Cost cuts throughout Ford's worldwide operations had amounted to \$5bn since 1980 and these would enable the company to remain profitable, even in the event of a cyclical downturn as severe as the one in the early 1980s, Ford said.

Ford's non-manufacturing operations also put in a strong performance, with net income at Ford Mo-

tor Credit Company up 35 per cent to \$611m and First Nationwide Financial, the company's savings and loan subsidiary, registering earnings of \$102m in its first full year of operations.

Overall, US car production in 1986 dropped to fewer than 5m units - 44 per cent down on the previous year, according to industry figures.

The lower output was due to reduced production at GM, which laid off thousands of workers amid declining sales and a drop in its share of the US market. However, Ford and Chrysler increased output according to the figures, and despite the lower output generally the industry had record sales of about 16m cars and trucks, beating the 1985 record of 15.7m.

Fourth-quarter net profits fell to \$1.8m, or 2 cents, in the three months to December 31, from \$18m, or 20 cents, a year earlier. Revenues fell to \$271.4m from \$295.4m.

Some of Wendy's troubles stemmed from its breakfast menu which was difficult and slow to prepare and not well received by customers. The heavy concentration of advertising on breakfasts caused a fall in lunch and dinner sales.

As a key element of its reorientation, Wendy's introduced the Big Classic hamburger last autumn which has subsequently accounted for an average of 20 per cent of sales.

Impala profits ahead

BY JIM JONES IN JOHANNESBURG

RJR NABISCO, the US consumer products company, is considering splitting off its large and highly profitable tobacco operations. It is the latest move in a rapid transformation of the company.

Mr Ross Johnson, the food industry executive who took over as chairman of the combined tobacco and food group in January, said the company was "studying" spinning off its tobacco business to a master limited partnership.

"We're looking at it. It's very complex," Mr Johnson told a group of securities analysts in Florida on Monday.

Mr Johnson's statement, together with an estimate of 20 per cent earnings per share growth this year, pushed RJR Nabisco's share price up 33% to \$62.50 in early trading yesterday.

It has risen by about 25 per cent

so far this year amid growing discussion in Wall Street that the diversified tobacco groups such as RJR Nabisco and Philip Morris might seek to insulate themselves from a declining and potentially problematic market.

RJR Nabisco's tobacco operations were about twice as profitable as the food business last year, with operating profits of \$1.7bn on revenues of \$5.9bn.

But public bans on smoking are proliferating and the industry has had to defend - so far unsuccessfully - a deluge of liability claims by victims of lung cancer or their families.

Analysts say that a master limited partnership would give shareholders direct access to the cash from the tobacco business and could protect the main company from some liability problems.

which is managed by the mining house Gencor, does not disclose details of its sales of platinum group metals (PGM), gold and by-product base metals.

However, platinum sales are believed to be about 900,000 ounces a year.

Capital expenditure increased to

Industrial markets lift AECI sales

BY OUR JOHANNESBURG CORRESPONDENT

AECI, South Africa's largest diversified chemicals group, recorded substantial increases in sales volumes in 1986 in sectors of its business serving industrial markets. The growth, however, was not matched in divisions more directly associated with consumer demand.

Turnover increased to R2.82bn (\$1.55bn) from R2.34bn and the pre-tax profit was R263m against R162m.

Mr Mike Sander, managing director, said demand for explosives and industrial chemicals was particularly strong. Local sales of chlor-alkali plastics and synthetic fibres had improved because exchange rate movements squeezed foreign suppliers out of the South African market.

Local plastics and fibre converters found it more attractive to buy from AECI. Net earnings increased to 175 cents a share from 114 cents

Falling rates boost Svenska

By Sara Webb in Stockholm

SVENSKA HANDELS-BANKEN, Sweden's second-largest commercial bank, raised group operating profits by 76 per cent, helped mainly by falling interest rates.

The preliminary report showed that operating profits rose to SKr 3.47bn (\$538m) in 1986, compared with SKr 1.97bn the previous year.

The return on equity after tax rose 29.4 per cent, compared with 18.8 per cent in 1985. Svenska Handelsbanken shows the highest profitability of the commercial banks to have reported their results so far, including Skandinaviska Enskilda Banken, the leading commercial bank. The board proposes increasing the dividend by 23 per cent to SKr 12.00.

In contrast, the chlor-alkali division is operating at full capacity and plans to expand caustic soda and chlorine production to satisfy domestic demand.

Net earnings increased to 175 cents a share from 114 cents

Nabisco may spin off tobacco unit

BY JAMES BUCKAN IN NEW YORK

RJR NABISCO, the US consumer products company, is considering splitting off its large and highly profitable tobacco operations. It is the latest move in a rapid transformation of the company.

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Swedish banks performed particularly well in 1986, largely because of falling interest rates. The average level of the discount rate was 2 per cent lower in 1986 than in 1985.

It has risen by about 25 per cent

This advertisement appears as a matter of record only.

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Application has been made to the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the Notes (in the denominations of NOK 5,000,000 each) to be admitted to the Official List. Interest is payable annually in arrears on 25th February, the first such payment being due on 25th February, 1988.

Particulars of the Notes are available in the Exetel Statistical Services. Copies of the Listing Particulars may be obtained during normal business hours on any weekday up to and including 20th February, 1987 from the Company Announcements Office of the Stock Exchange and up to and including 4th March, 1987 from:—

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12th February, 1987

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THE REORGANISATION of Multi-Purpose Holdings (MPH)—with the appointment of a respected professional team at its helm—is seen as giving a new lease of life not only to the diversified Chinese investment group, but also to the Malaysian Chinese Association, the largest Chinese political party, which controls it.

By breaking with the old MPH board, Dr Ling Liang Salk, the 45-year-old MCA president, has cut the knot that has been strangling both the party and its investment arm.

The MCA is a partner in the Malaysian-dominated Malaysian coalition government, and has four members in the Cabinet, including Dr Ling. The MPH revamp represents a political as well as a corporate coup for him.

He succeeded in getting Mr Robert Kukk Hock Nien and Tan Sri Lee Loy Seng, two of the most prominent Chinese businessmen in South East Asia, to join the new MPH board.

He appealed to them to help the 5m-strong Malaysian Chinese community, which had been demolished by a series of financial and political reverses during the past two years.

Dr Ling pledged that the MCA would stay out of MPH unless in circumstances where

political support might be needed. Many MCA stalwarts are directors of these co-operatives.

KSM has more than 460,000 members, most of whom also belong to the MCA. Datuk Lee can therefore make life difficult for Dr Ling, who will seek endorsement at MCA President in the party's elections in June.

MPH was founded by the MCA President in the party's

elections in June.

MPH was founded by the MCA in 1975 as a corporate vehicle to support Chinese interests at a time when the Government was actively buying companies to fulfil its New Economic Policy objective of giving 30 per cent of the corporate wealth to the Malays.

MPH expanded very rapidly, but made several costly mistakes in recent years, particularly in the takeover of Promship, a Hong Kong-based shipping company, and the Malaysian-Singapore activities of Guinée Trading.

In 1985, the latest year for which figures are available, MPH suffered a net loss of 151m ringgit (US\$55m).

News of the MPH reorganisation was greeted enthusiastically by investors in both Malaysia and Singapore where the company is quoted.

In two days of active trading, its shares were pushed up from 67 cents to 1.22 ringgit. For

the first time in nearly two years, it is above its one ringgit per value.

"It is quite remarkable that two names could make such a big difference," says one investment analyst, in reference to Mr Kukk and Tan Sri Lee.

The market reaction shows public confidence in MPH's future directions, now that it is being run by professionals.

It also shows that politically-supported businesses are not necessarily good business," says a banker.

Political turbulence

Indeed, the 46,000 MPH shareholders who own its 750m shares have suffered a lot. Everytime there is political turbulence, its share price plummets.

The MPH reorganisation highlights the group's strong underlying assets. It controls Dunlop Estates, with 76,000 acres of plantations; Bandar Raya Developments, a large property company and Malaysian French Bank as well as lucrative lotteries.

Most of its investment in Promship has been written off so the group is likely to report a much smaller loss for 1986. The shipping operations are to be sold off if a suitable offer is made.

Wong Sulong on the reorganisation of Multi-Purpose Holdings

Dr Ling cuts the knot for MPH

the discovery of a financial scandal. Many MCA stalwarts are directors of these co-operatives.

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Chinese interests

When Mr Tan was jailed for two years by the Singapore authorities last August for his role in the collapse of Pan-Electric Industries, Dr Ling

stepped over the party leadership.

Although Datuk Lee and his lieutenants are out of MPH,

they are still in control of Kooperatif Serbaguna Malaysia (KSM), which holds 41 per cent

KSM is among the 23 deposit

co-operatives placed under receivership by the

Government last month, after

the cancellation of its

casino operations.

It would also allow the Lim family, one of the wealthiest

in Malaysia, to get for long-sought after quotation on the Hong Kong Stock Exchange.

The restructuring is seen as a move to reap capital gains from Genting's image in Hong Kong, as well as to allow Genting

shareholders, particularly the

Lim family, to be less dependent on the Malaysian company.

When the Lim family, which owns about 40 per cent of Genting, would end up with a direct ownership of 22 per cent of

Genting International.

Under the scheme, Genting will distribute 230m of the 270m shares in Genting International, its wholly-owned subsidiary, to shareholders in the ratio of one-for-one.

Genting would then apply for a Hong Kong listing and would make a public issue of 20m new shares to Hong Kong residents.

Genting tried to get a public listing in Hong Kong in the

early 1980s, but was refused permission by the Malaysian authorities for fear it could be a conduit for speculative funds.

Price Waterhouse, the accounting firm, has valued Genting International's net tangible assets at 190m ringgit (US\$575m) at December 1986, giving a value of 52 cents per share of the parent.

Genting said his valuation may be subject to revaluation by the Malaysian Inland Revenue Department for tax purposes, and will not have any effect on the number of shares proposed under the scheme.

Toa Nenryo profits up by 61% despite lower sales

BY YOKO SHIBATA IN TOKYO

TOA NENRYO, the Japanese oil refiner owned a quarter each by Exxon and Mobil, has reported a 61 per cent jump in pre-tax profits last year to a record Y\$61.45bn (\$46.65m), despite a 42.7 per cent fall in sales to Y\$76.75bn.

The buoyant earnings were attributed to falling crude oil prices, windfall foreign exchange profits from the year's rise, and a large surplus on fund management.

Net profits were up 44 per cent to Y\$6.62bn. Toa Nenryo will pay an annual dividend of Y26 per share, a Y5 increase of which consists of a Y2.50 com-

memorative payment to mark the expansion of its research institute and the remainder as an extraordinary dividend.

Volume sales showed a marginal 0.3 per cent fall in 19.24m kilobars.

For the current year, the company expects pre-tax profits to fall to around Y60bn to Y70bn, on sales of some Y570bn.

It justified the conservative forecast by saying the oil products market remains uncertain, crude oil prices are bouncing back and relative stability in the yen-dollar exchange rate are likely to produce little exchange profits

attributed to the erosion of earnings.

Net profits were down 31 per cent rise in sales to Y\$64.78bn. The annual dividend per share is unchanged at Y18.

During the year, sales of electronic fuel injection equipment shot up 26.3 per cent and those of other electronic components and air conditioners advanced by 4.3 per cent and 3.8 per cent respectively.

For the current year, Nippondenso projects pre-tax profits of Y68bn, up 1.5 per cent, on turnover touching Y1,000bn, a rise of 4 per cent.

INTERNATIONAL CONTRACTS

£27.6m Saudi power station plant

ASEA SWITCHGEAR and ASEA TRANSFORMERS, two companies in the power transmission group of ASEA, Sweden, have received an order for a 380 kV gas-insulated substation (GIS) from the National Grid of Saudi Arabia. The value of the contract is about SKr 275m (£27.6m).

Saudi Consolidated Electric Co for the Central Region (SECCEO-Central), Riyadh, has awarded a contract to Asea-Asca Contracting Co for the 380 kV substation project. The contract covers the design and construction of the substation, building maintenance and delivery of 380 kV and 132 kV gas-insulated switchgear, 380/132 kV 350 MVA transformers, four 80 MVA shunt reactors, relay and control equipment, as well as the erection and commissioning.

To be located south-east of Riyadh, the 380 kV substation includes a total of 13 380 kV and nine 132 kV circuit-breakers. Aya Schedules to enter service at the end of 1989, the substation is the last link in the 380 kV transmission system from Damman to the Riyadh area and is an important part of the development of the Kingdom's power transmission system.

Toronto Hydro has awarded a contract for the supply of container handling cranes with DAVY MORRIS of Loughborough (part of Davy Corporation). The order is for 1100/93, one 1100/93, one 1100/92, and one 1100/72 for software development.

The Hong Kong-based Modern Terminals has placed a £10.5m contract for the supply of container handling cranes with DAVY MORRIS of Loughborough (part of Davy Corporation). The order is for 1100/93, one 1100/92, and one 1100/72 for software development.

Simon-Carves, of Cheadle Hulme, Stockport (a Simon Engineering company), has been awarded two contracts. The first, worth \$1m, was awarded by Kinetex (a Bulgarian foreign trade organisation). It is for the design and supply of a plant to produce oleum by the regeneration of spent sulphuric acid. The plant will be constructed at Smidzovo, Bulgaria, and completion is due by mid-1988.

The second contract, worth a total of \$2m, was awarded by Polyolefins Industries (PIL) of Bombay, India, for the project management, re-engineering, dismantling, shipment and erection of an ethylene vinyl acetate copolymer plant. Currently located at ICI Holland's Rousenborg site, the

plant will be transferred to PIL's site at Thane, near Bombay. Local engineering, procurement and construction services will be provided by Unde India.

The US subsidiary of Ferranti Computer Systems has ordered computers worth more than US\$20m (\$13.1m) from UNISYS CORPORATION. The order is from Ferranti International Controls, a manufacturer of energy management systems for electric utilities, which is based in Sugar Land, Texas. The order includes the newly introduced 2200/300 mainframe and several 1100/90 large mainframe systems.

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Swap opportunities boost Australian dollar sector

BY CLARE PEARSON

NEW ISSUE activity in the Eurobond market was brisk yesterday, although syndicate managers were concentrating on the non-dollar sectors as Eurodollar bond prices were marked as much as 1 point lower in lacklustre trading.

The Australian dollar market was out of favour, even though bond prices in the secondary market were falling in the wake of worse-than-expected Australian current account deficit figures. The crop of three new deals yesterday were inspired by the opening up of swap opportunities.

All three deals were quoted at price levels outside their total fees yesterday. But the bonds for Metallgesellschaft and Bayernhypo Finance, a vehicle for Hypobank International, were expected to have the most chances of success, as these are names which appeal for European retail investors.

But AS50m bonds have five-year lives and 14% per cent coupons, but Bayernhypo's bond, led by Bayerische Hypotheken und Wechsel-Bank has a 101/2 issue price, 1 below that of Metallgesellschaft's issue, led by Dresdner Bank.

Merrill Lynch Capital Markets' AS50m three-year issue for Eksportfinans, the Norwegian export finance organisation, looked less attractive because demand for shorter-dated bonds in that currency is low at the moment. Reflecting the downward slope of the AS bond yield curve, this five-year deal of 14% per cent was carried a higher coupon than 101/2. It was priced at 101/2.

Hambros Bank led a 250m five-year deal for Norsk Hydro, the Norwegian oil, chemicals, and fertilisers company. The 10 per cent bond was priced at 100.

The initial yield on the bond

was seven basis points higher than those of gilts. The bond was quoted at trading levels around or slightly below its 1% per cent fees.

Yamachii International led two Euroyen deals: a Y10bn five-year 5 per cent bond for the State Bank of Victoria, priced at 107/4, and a Y20bn five-year bond for Societe Generale, priced at 104/3 with a 5% per cent coupon.

In the Eurodollar sector, Bankers Trust International launched a complex \$100m five-year floating rate note (FRN) issue created by repackaging 64 seasoned fixed rate bonds.

The issue was for a special purpose company, Tops (Trust Obligation Participation Securities) No. 2, which had bought the "host" bonds—for mostly Japanese companies—which had become detached from their

INTERNATIONAL BONDS

accompanying equity warrants and entered into a swap with Bankers Trust to transform them into floating rate securities. Priced at par, over three month London interbank offered rate.

The practice of swapping illiquid fixed rate deals into floating rate assets—asset swapping—is common in the secondary market, but this was the first time such a large number of bonds had been bundled up and sold as a public issue.

Dealers thought that the deal, which was backed by guarantees for 18 Japanese banks, might prove complicated for investors, especially as it incorporates a sinking fund reflecting the varying maturities of underlying bonds. The average life is 44 years.

Nevertheless, Bankers Trust said that the issue had met good demand from Japanese investors. It was quoted at a bid price of 99.9%, compared with 10 basis point fees.

The Euroyen market saw a

Brokers in Eurobond inter-dealer venture

By Alexander Nicoll,
Euromarkets Editor

FUNDAMENTAL BROKERS

and M. W. Marshall, two broking subsidiaries of the Merchantile House group, are planning to enter inter-dealer broking in the Eurobond market with a screen-based price display system similar to those they use in the US and UK government bond markets.

They have set up a company, Fundamental & Marshall Eurobonds, which is seeking authorisation from the US Department of Trade and Industry and will then apply for membership of the Association of International Bond Dealers as well as authorisation by the AIBD's new body of market makers.

In the D-Mark market, Eurobond prices fell by up to about 4 points in thin trading. CSFE—Effectenbank led a DM 200m par-priced issue for Air Canada, the first perpetual in the D-Mark market. The bond carries a 6% per cent coupon, payable annually, until 1994 after that, it will be fixed every three years.

The basis for ranking is the average rate for three-year domestic bonds of Landesbanken supplied by four houses plus 1% per cent. The bond is callable after seven years at par and before each refixing date.

Air Canada is expected to be privatised, and the issue carries a declaration from the Canadian Government that if and when this happens the Government will retain the majority of the shares. Dealers said the issue would not trade widely.

In Switzerland, prices firmed slightly in low volume. Union Bank of Switzerland announced two new issues. These were a SF 200m five-year 4% per cent bond for Mitsubishi Electric Corporation, priced at 100%, and a SF 300m five-year equity warrant issue for Nakagawa, the Japanese construction company. This deal carries an indicated 3% per cent coupon and will be priced on February 24.

The aim is to add to trading volume and liquidity in the Eurobond market—also the objective of the new AIBD market maker rules. Some dealers and brokers believe, however, that the broking business is already well-populated.

Application of the AIBD market makers rules, designed to improve disciplines, visibility and liquidity in the Eurobond market, is proceeding slowly.

A number of the firms are still not able to transmit closing quotes to the AIBD daily, as they have been required to do since the beginning of the year.

Disclosure of high and low trading prices each day is also

expected to take some time to apply.

It is the end of the year only

50,117 contracts were traded, an average of 380 a day.

The total value of the contracts traded on the Matif in the last three months of the year matched Liffe's 986,305 long gilt contracts.

The Matif's Treasury bill contract, launched at the end of June, had a less sparkling start.

In its six months of existence

it has traded 1,866 of

its main long bond contracts from its creation in February until the end of the year. Volume took off in September, and the 980,157 contracts traded in the last three months of the year matched Liffe's 986,305 long gilt contracts.

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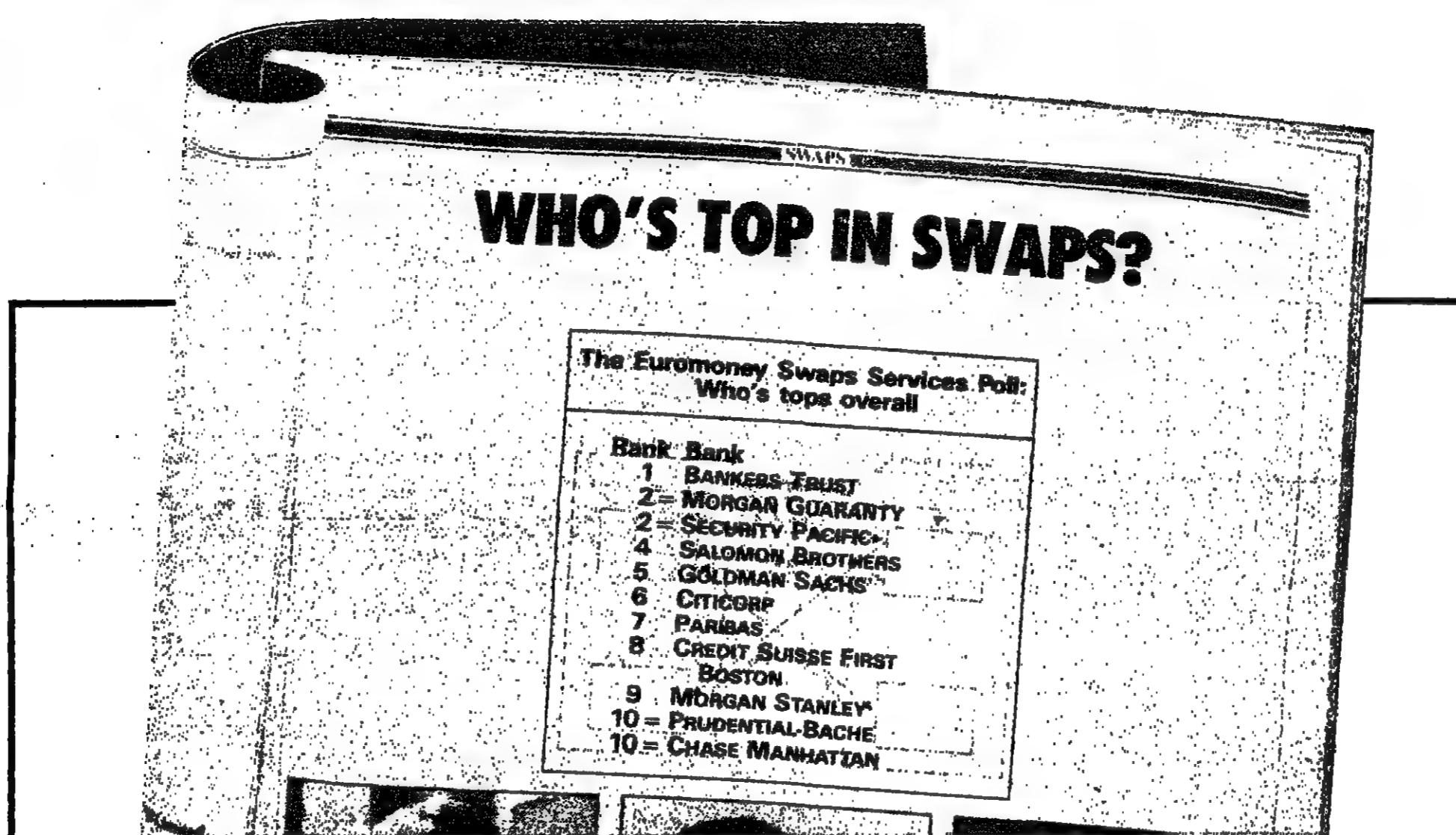
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This came as no surprise to our swaps clients.



A new Euromoney survey reveals to the rest of the financial world what our swaps clients already know.

Bankers Trust is the very best overall performer in the swaps market. Bar none.

That's not us talking. It's the voice of corporate and sovereign swap users worldwide, collected and totaled by Euromoney.

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market from the start.

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Bankers Trust Company
Merchant banking, worldwide.

UK COMPANY NEWS

Lucas in £52m deal for US aerospace engineer

BY DAVID THOMAS

LUCAS INDUSTRIES, the automotive, aerospace and industrial components group, is making an agreed bid worth about £75m (£52.3m) for Western Gear, the aerospace subsidiary of Becton Western, a Wisconsin-based engineering company.

The acquisition is the long-awaited major acquisition expected as a result of Lucas' declared strategy of building up its aerospace and industrial divisions, particularly in the US, which will put relatively less stress on Lucas' core automotive business.

Sir Godfrey Messervy, Lucas chairman, said when unveiling the company's results in November that the aerospace and industrial divisions would continue to expand both by new contracts and acquisition.

Lucas' shares closed unchanged at 603p on the news of the bid.

Western Gear made pre-tax profits of £5m on sales of £15m in the nine months to the end of September 1986. Its products, which are sold mainly in the US, include actuation systems, auxiliary gear boxes and helicopter transmissions.

Lucas makes actuation systems in Europe, and Dr Alan



Sir Godfrey Messervy, chairman of Lucas Industries

pected to be completed by April.

It is Lucas' fourth acquisition in the US in less than six months.

In September, it paid \$10.45m for Weinschel Engineering, a microwave components and calibration instruments company.

Last month, Lucas bought for \$11.5m AUL Instruments, a New York-based company which makes defence electronics and test equipment.

In January, it also acquired Schaevitz Engineering, a Philadelphia-based manufacturer of sensors and transducers used in industry and aerospace for \$33m.

Lucas is considering making more acquisitions in aerospace companies. Last month it announced a £117m multiple option financing facility led by

Watkins, Lucas Aerospace managing director, said last night that the acquisition of Western Gear would allow Lucas to achieve economies of scale.

The exact price of the Western Gear acquisition, which is in cash, will be calculated after Western Gear's net assets at the end of February are known. The acquisition is ex-

pected to be completed by April.

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Horizon sales rise by 40%

Horizon Travel, the air holiday operator and travel agent, has reported that sales for the current winter season are more than 40 per cent up on last year's level and that this increase had been achieved on a higher load factor.

Summer 1987 sales to date are approaching 400,000—up 35 per cent on the equivalent figures in February 1986. Horizon claims that its 1987 share of the summer market has grown to nearly 11 per cent, compared with 8 per cent last year and 5 per cent for the year before. It says that it is 50,000 bookings ahead of budget.

However, the directors said that the company should achieve a further increase in trading profit before they would propose an increased dividend. As a result, the final dividend was maintained at the 1986 level of 3.52p.

In the 11 months ended October 31, 1986, Horizon turned in pre-tax profit of £4.59m compared with £14.49m for the year to November 30, 1985. The latter figure, however, included £1.47m from aircraft sales.

Intereurope jumps 34%

Intereurope, Technology Services supplier of technical documentation to industry and Government departments, revealed a 34 per cent jump in taxable profits in the six months to end-December 1986.

On turnover up from £4.6m to 25.61m pre-tax profits advanced to £801,000 against £596,000 for the comparable period. After tax of £288,000 (£226,000), earnings per 20p share rose to 10.26p (7.4p).

The interim dividend is increased to 2p (1.8p).

The directors stated that the market for the group's core operation of producing detailed technology manuals for the UK remained steady. However, the major contribution to profits growth emanated from the overseas business and computer-aided design services, although this was partly offset by costs of expanding the engineering design and site installation activities.

Egerton progresses and plans £20m development

BY RICHARD TOMKINS

Egerton Trust, the health sheltered housing and property group which has undergone a transformation over the last 12 months, yesterday reported pre-tax profits of £1.63m for the year to December compared with a loss of £188,000 under its previous guise of Caparo Properties.

It also unveiled first details of a £20m development which it said had no precedent in Britain. It plans to build a retirement village of 250 units together with a nursing complex, bowing, green, chapel and other amenities.

Mr Frank Sanderson, Egerton's chairman, said planning permission had been secured for a site in the home counties and the purchase was under negotiation.

If the three-year project went ahead, it would be a joint venture with a major public company and work could begin in September this year.

Having regard to the past year's figures and prospects for the future, a final dividend of 12.5p, being recommended which lifts the net total to 1.75p—shareholders received only 0.2p in 1985.

Turnover for 1986 amounted to £3.96m (£5.81m). Tax accounted for £112,000 (overpaid £57,000) and net net profit at £18,000 (£11,000 loss). Earnings per share 0.67p per 25p share.

Attributable losses emerged at £86,000 (£480,000) after taking account of extraordinary debts of £24,000 (from £561,000).

Towards the end of 1986 the

Associated Energy profit

In a year of consolidation when major problems were resolved, Associated Energy Services turned round a loss of £439,000 to a profit of £50,000 at the pre-tax level.

Turnover for the 12 months ended September 30 1986 fell from £2.39m to £2.98m, reflecting the sale of the former subsidiary AES Taylor Freezer.

The directors look for better results in the current year.

The group, which is quoted on the USM, is involved in

building and environmental maintenance services, and marketing and distribution of catering and related catering equipment. The directors said they were examining opportunities for suitable acquisitions.

Interest charged this time was cut to £136,000 (£207,000). Tax took £4,000 (credit £181,000) to leave earnings at 0.03p (loss 3.72p) per share.

There were extraordinary debits of £12,000 (£28,000).

Another Record Year from Temple Bar Investment Trust

Highlights for the year ended 31st December 1986

	1986	1985
Profit attributable to ordinary shareholders	£3.925m	£3.202m
Earnings per ordinary share	6.856p	5.593p
Dividends per ordinary share	6.25p	5.30p
Net asset value per ordinary share	208.74p	169.53p
Announcing the results, the Chairman, Professor Roland Smith, noted:		
Over the past five years the value of the net assets have grown at a compound rate of 23.5% per annum.		
A number of interesting opportunities are currently under review which would take the Company more directly into allied spheres of business consistent with the retention of investment trust status.		

GUINNESS MAHON INVESTMENT MANAGEMENT

The Annual General Meeting of Temple Bar Investment Trust PLC will be held at The Watermen's Hall, 18 St Mary-at-Hill, London EC3P 3AJ on Monday, 23rd March, 1987. Copies of the 1986 Report and Accounts will be available from Monday, 2nd March, 1987 from the Company Secretary, Temple Bar Investment Trust PLC, 32 St Mary-at-Hill, London EC3P 3AJ. Telephone: 01-623 9333.

Strong & Fisher pulls out of Garnar bid

BY NEDD TAIT

Strong & Fisher is abandoning any attempt to gain control of fellow leather manufacturer, Garnar Booth, following the acquisition of two smaller leather-related companies—a hide and skin market business, and a leather clothing tannery group—for a total of £2.38m.

In January, it also acquired Schaevitz Engineering, a Philadelphia-based manufacturer of sensors and transducers used in industry and aerospace for \$33m.

Strong & Fisher's £20m bid for Garnar had lapsed following the referral of its offer to the Monopolies Commission last November. The Commission is thought to have been close to completing its report, and a decision on the outcome could have been reached next month, although the report was not officially due until May.

Strong & Fisher had built up a 16.4 per cent stake in Garnar which it said yesterday would be retained as "a trade investment."

The two companies which Strong is acquiring will allow it to focus on sheepskins in the North of England and give it more capacity in clothing leather production—two objectives of the Garnar Booth bid—according to Mr Richard Strong, managing director of Strong & Fisher.

W. D. Mark, a private company with around 50 shareholders for which Strong is making an offer of £40m cash plus one of its own shares for each Mark share held, operates six hide and skin markets from York to Edinburgh. Directors and certain other shareholders, speaking for 50.36 per cent of the equity, have given irrevocable undertakings to accept.

The second company, Silo, is a leather tannery near Rotherham which Strong is making an offer of £40m cash plus one of its own shares for each Silo share held.

Looking at a US market worth, say, \$45bn by 1990, Mr Corbett sees the number of leading players reduced by attrition or merger to about four sharing 15 per cent of the trade.

It is plain that Dixons aims to keep itself up among the top four, and Mr Corbett says Silo will benefit from the British group's expertise in financial controls, purchasing and merchandising. This will give the chain the necessary competitive edge as the market matures, he claims.

For the moment, the trade is developing rapidly in the wide open spaces of edge-of-town malls. Between 1982 and 1985, sales of each of the five leaders—Silo, Silo behind Circuit City and Highland in the league—grew by more than 30 per cent in the US.

It does, however, bear closer examination. The past few years have seen the rapid emergence of a new breed of shopkeeper.

A handful of so-called "power retailers" has been making speedy inroads into the electrical goods markets long dominated by independent traders and department store chains. Silo alone has doubled its selling space in the past three years.

Operating from out-of-town large scale stores, the 10 leaders are estimated to have increased their share of the US market from less than 4 per cent to 7 per cent between 1982 and 1985.

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Christopher Parkes looks at Dixons move on Cyclops Casting an eye on fresh fields

RUNNING SHORT of prime selling sites and new challenges on the domestic electrical circuit, Dixons Group has done the logical—and expected—thing, and plugged itself in to the US retailing powerhouse.

The move on Cyclops Corporation of Pittsburgh, launched yesterday with the blessing of the US company's board, will give Britain's leading electrical retailer a substantial foothold in the US.

Mr Gerald Corbett, Dixons corporate finance director, is more bullish. "We shall be the third largest player in the fastest growing segment in the world," he says.

A lavish enough claim, considering that the 119 Silo electrical stores run by Cyclops last year accounted for only 25,650 of the 240,000 odd (262,000) spent in the US on appliances and home entertainment equipment.

It does, however, bear closer examination. The past few years have seen the rapid emergence of a new breed of shopkeeper.

The two companies which Strong is acquiring will allow it to focus on sheepskins in the North of England and give it more capacity in clothing leather production—two objectives of the Garnar Booth bid—according to Mr Richard Strong, managing director of Strong & Fisher.

W. D. Mark, a private company with around 50 shareholders for which Strong is making an offer of £40m cash plus one of its own shares for each Mark share held, operates six hide and skin markets from York to Edinburgh.

Operating from out-of-town large scale stores, the 10 leaders are estimated

UK COMPANY NEWS

Wardle in £44m bid attempt for Chamberlain

BY PHILIP COGGAN

Wardle Stores, the budding industrial conglomerate led by Mr Brian Taylor, yesterday launched what promises to be a bitterly-fought £44m bid for Chamberlain Philips, shoe components and adhesives group.

The bid, which follows a merger approach by Wardle last month, was immediately sharply rejected by Chamberlain as "having no commercial or industrial merit".

Wardle originally bought 75,000 Chamberlain shares, or 0.2 per cent, in January, but its hopes of a merger were rebuffed by the Northamptonshire-based company. On February 10, Mr Taylor said that "in view of the substantial rise in the share price of Chamberlain Philips," since Wardle bought its original stake at 81p, the company would review its position.

Earlier yesterday's offer ignored some of the recent strength in the Chamberlain share price, which closed last night at 130p. Wardle is offer-

ing three of its ordinary 10 shares for every 10 in Chamberlain, which on the basis of yesterday's closing share prices values each Chamberlain share at 130p, 10p below the market rate. There is also a cash offer for the preference shares of 106.3p.

Wardle believes that under its direction, Chamberlain Philips' operating management "would be able to concentrate on strengthening their market positions whilst avoiding the distractions caused by an ill-judged and poorly directed diversification programme."

In the early 1980s, Chamberlain moved from its shoe components base into adhesives.

After some early successes, the company ran into problems in the US and its pre-tax profits slumped to \$2.6m in the year to March 31, 1986, against \$5.54m the previous year.

However, adhesives profits were some 30 per cent higher at the interim stage.

Wardle said there would be

some synergy benefits from an enlarged group since it was a large user of adhesives, and like Chamberlain it relied on controlling its raw material cost structure. But Chamberlain disputes that there would be any industrial logic in a merger.

Wardle Stores came to the market in 1984 as largely a plastic sheeting manufacturer but has since embarked on an ambitious expansion programme. In June, it acquired RFD Group for £29m after a rival bid from Scapa Group. Wardle sold off the unwanted bits of RFD to Scapa for £14.5m and retained the parachute and rubber dinghy business which now forms its safety and survival equipment division.

In January, Wardle announced pre-tax profits for the year to August 30 1986 up 40 per cent to £5.6m.

Wardle's share price closed down 1p to 100p. Its merchant banking advisers are Schroders and Chamberlain's are Baring Brothers.

Temple Bar assets up 23%

Net assets of the Temple Bar Investment Trust rose by £22.4m to £120.4m over the 1986 year. That was equal to 20.45p per 25p share net of prior charges at market value, an improvement of 23 per cent over the previous year's figure of 17.28p.

Attributable profits for 1986 rose from 23.25p to 23.97p after taking account of tax little changed at 21.57p (£1.51m).

Earnings increased from 5.583p to 6.858p and a final dividend of 3.85p (3.8p) raised the total of 6.95p to 6.25p net.

Professor Roland Smith, the trust's chairman, said the results and asset performance reflected buoyant conditions in the London equity market.

He pointed out, however, that although the equity market had continued to forge ahead since the year end the trust would need to be more entrepreneurial if its record of the past five years was to be sustained.

Prism Leisure forecasts £0.5m in USM flotation

BY JANICE WARMAN

Prism Leisure Corporation, wholesaler and distributor of pre-recorded cassettes, records, compact discs and computer games software, with a market capitalisation of £4.2m, is coming to the USM.

This is the first new issue to be sponsored by the National Investment Group, a new grouping of provincial stockbrokers.

Prism is placing 1.06m shares at 120p to raise £1.27m. Of this £636,000 is new money for the company, and the balance will go to the founders.

Prism is forecasting profits before tax of not less than £500,000 for the year to March 31, 1987, which would give a prospective price/earnings ratio of 11.3. Last year's before-tax figure was £301,000 on turnover of £4.1m.

The company's UK customers include HMV, W. H. Smith and Virgin Retail. Its exports to Europe, the Middle East and

Meldrum Trust

Meldrum Investment Trust saw net assets improve to 142.3p at the end of 1986 compared with an adjusted 17.3p a year earlier. Earnings per share for 1986 rose to 3.35p (3.08p) and the final dividend was raised from an adjusted 1.75p to 1.9p, making a total of 5p (2.75p). Net revenue rose to £1.33m (£1.24m).

The placing will also enable

Prism to increase its product range, he said. Trading will grow activity for the group.

STOCK EXCHANGE BUSINESS IN JANUARY

Buoyant gilts lift turnover to £116bn.

BY TERRY BYLAND

A SUBSTANTIAL increase in business on the Stock Exchange last month was fuelled by heavy turnover in Government bonds as investors responded to the reduction in the West German discount rate, and hopes that Japan would follow suit.

Turnover in ordinary shares also rose smartly in January, when bank and consumer stocks led the sector to successive peaks amid hopes of tax cuts on Budget Day, confirmed last month as March 17.

Also encouraging investors was the growing belief that a UK general election is not far

off, and that Mrs Thatcher's chances of success are high, despite an erratic trend among opinion polls.

Stock Exchange statistics for January show that turnover over the full range of the market, taking in both fixed interest and equity sectors, surged by 10.8 per cent to £118.65bn.

Turnover in British Government issues advanced by 17.2 per cent to £83.37bn, with the sector featured by a rush to the short end of the market as investors looked for fresh moves by the Group of Five countries to protect the falling

US dollar. Trading in short-dated Gilts—those with five years or less to run to maturity, jumped by 15.7 per cent to £27.35bn. Buyers were moving aggressively into shorts in the days before the cut in West German rates on January 22, and then began to look for a similar move from Tokyo.

But the longer-dated Gilts were also active, although comparisons with December are distorted by a change in exchange reporting. Turnover in Gilts with more than five years to run totalled £56.99bn against £19.9bn in the previous month.

Over the month, the FT Government Securities Index gained 1.69 points to 85.81. The longer end of the market proved unable to sustain its upward momentum at the end of the month, when no meeting of the G-5 countries emerged and opinion polls cast some uncertainty over prospects for the Government's chances should an election be held in the UK this summer.

On the equity side, the advance in the market was more pronounced. The Financial Times Ordinary Index, which reflects price movements in 30 leading stocks, jumped 12.71 points to 144.1, then a new peak, but subsequently left 45 points behind by the renewed surge in the early days of February.

The equity sector was buoyed

by the strength of the Tokyo and New York markets, which also moved to new peaks last month. But the expectation of domestic tax cuts, and perhaps lower interest rates as well, kept the finance and consumer sectors in strong form.

Turnover in ordinary shares rose by 22 per cent to £27.33bn. During the early part of the month the increased trading reflected strong buying of the internationally orientated shares, including Glaxo and Imperial Chemical Industries. Towards the end of January the attention switched to domestic issues as UK institutions took

MONTHLY TURNOVER

	Value £m	% of total	No. of bargains	% of total	Average daily value £m	Average bargain value £m	Average no. of daily bargains
BRITISH FUNDS							
Short dated (5 years or less to run)	27,310.9	23.5	32,907	2.9	1,302.9	82.6	1,564
Medium (5-10 years)	22,310.9	18.1	26,903	2.6	1,042.4	74.6	1,419
Others (over 10 years)	32,450.2	28.9	29,748	2.6	1,603.8	1,164.5	1,416
TOTAL	83,773.0	71.5	92,359	8.1	3,970.1	902.4	4,399
IRISH FUNDS							
Short dated (5 years or less to run)	374.8	0.3	1,194	0.1	17.8	31.3	57
Others (over 5 years)	831.8	0.7	1,347	0.1	39.6	67.6	64
UK LOCAL AUTHORITY	28.5	0.1	516	0.1	1.4	55.2	25
OVERSEAS GOVERNMENT	2,928.3	2.5	7,736	0.7	129.4	27.5	348
OTHER FIXED INTEREST	1,261.1	1.1	29,940	2.6	41.6	42.6	1,024
ORDINARY SHARES	27,830.0	23.8	1,009,937	88.3	1,025.2	27.6	48,987
TOTAL	116,647.5	100.0	1,142,959	100.0	5,554.6	102.1	54,265

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Please contact Knut Ørbeck in Norway. Tel: (472) 31 90 50. Telex: 78422 UBN SE. Union Bank of Norway is known domestically as ABC bank.

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Union Bank of Norway

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IMAGE STORAGE/RETRIEVAL SYSTEMS, INC.

Incorporated with limited liability in the State of Delaware, United States of America.

SHARE CAPITAL

Authorized	Issued and fully paid
Number	Number
5,600,000	2,119,062
4,444,446	4,41,333
556,555	—

The Company is engaged in the production and marketing of information storage and retrieval systems.

The Company acquired the assets of Mimos, Ltd. (including the entire issued share capital of each of its subsidiaries and all rights to its technology) and assumed certain of the liabilities of Mimos, Ltd. on August 1986. Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the issued shares of common stock of the Company in the United Securities Market. No application is being made for these securities to be admitted to listing.

Particulars relating to the Company are available in the Exel Statistical Service and copies may be obtained during normal business hours up to and including 4 March 1987 from:

de Zoete & Seven Limited, Elgate House, 2 Swan Lane, London, EC4R 3TS.

18 February 1987

Nikki Tait on the growing problems facing L and N

Not so full of Eastern promise

AT FIVE minutes to midnight on Monday, directors of London & Northern were locked in their Essex Street headquarters.

All day, the board and its advisers—in the face of a £90m hostile bid from Demerger Two—had wrestled with a final "day 39" profits forecast for shareholders: midnight was the deadline.

When a statement emerged, reasons for the bizarre delay became obvious.

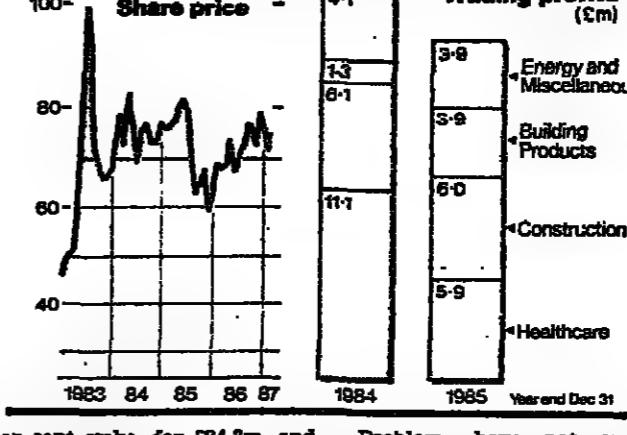
It predicted "disappointing" results for 1986, talked of undisclosed losses on overseas civil engineering contracts, forecasted lower-than-expected results on the troubled health-care side, a large tax charge, extraordinary write-offs and even hinted that the final dividend could be passed.

Scarcely a statement any company would wish to make in the closing stages of a bid battle—and for one traditionally viewed as an income stock, the dividend warning came as a particular blow.

Analysts' comments following

London and Northern

Share price



Trading profits (£m)



Jock Mackenzie, chairman of London & Northern

bag—containing the fast-growing cellular radio business, Tactico, but also two unexciting plastics companies.

Also included is the 30 per cent TACE stake, worth £9m, and a couple of oil services companies, dependent on North Sea demand.

To date, L and N's defence has consisted largely of pleas that the Middle East—and other oil-related business—is out of its hands, but that it has made considerable efforts to diversify management in the UK and weeded out some less successful offshoots during 1986.

UK COMPANY NEWS

IMPALA PLATINUM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registered No. 57/01979/06

INTERIM PROFIT STATEMENT AND DECLARATION OF INTERIM DIVIDEND

The unaudited consolidated results for the half year ended 31 December 1986, are as follows:

	6 months to 31.12.86	6 months to 31.12.85	% Change	Year to 30.6.86
	£'000	£'000		£'000
Sales revenue (Platinum and by-product metals produced)	557,155	432,046	+29.0	841,243
Consolidated profit for the period	229,442	165,938	+38.3	290,309
Less: Taxation and lease consideration	103,021	64,112	+60.7	97,605
Profit for the period after taxation and lease consideration	126,421	101,826	+24.2	192,704
Earnings per share (cents)	219	177	+24.2	334
Dividends per share (cents)	45	35	+28.6	135

The programme of shaft sinking and the elimination of process constraints to improve operating efficiencies continued, and as a result, production increased at the planned rate during the period under review. Capital expenditure amounted to R72,410,000 (1985: R55,288,000).

Customer demand for all metals remained firm and, in spite of a somewhat stronger Rand and depressed base metal prices, the increased sales and improved prices for the major precious metals resulted in a higher sales revenue. However, a substantial part of the company's output is sold under long term contracts where revenue is protected by cost-related price escalations.

In the second half of the financial year, sales volumes are expected to remain at much the same levels as in the previous six months.

Interim Dividend declared on 17 February 1987—Payable on 9 April 1987.

Amount per share 45 cents—Currency conversion 31 March 1987.

Copies of the full Interim Report may be obtained from the office of the London Secretaries, 30 Ely Place, London EC1N 6UA

Merger benefits push Crest Nicholson to £16.6m

THE ENLARGED Crest Nicholson group made a pre-tax profit of £16.6m in the year ended October 31 1986, against an adjusted £12.5m.

A final dividend of 3p gives a net total of 4.75p as forecast on capital increased by a rights issue. Previously, 4.15p was paid.

The group is engaged in property and construction, and commercial and industrial operations. In late 1985 it merged with C. H. Pearce, Bristol-based construction and property group, the 1985-86 results including those for the year, while the construction took in its year to May 31 1985.

The directors said that in the property and construction division the land supply was most satisfactory for this year and beyond, and further progress had been made with a number of major development proposals which should serve to underpin growth.

Product range of the commercial property business was broadened, and new sites purchased for industrial developments for which there was an increased demand.

In competing the market was difficult, although there was an adequate supply of work, margins were under intense pressure.

That situation continued, but



Mr David Donne, chairman of Crest-Nicholson

the order book was satisfactory and would most benefit 1988. Major emphasis was put on procuring contracts at the right margins.

Turnover in 1985-86 totalled £212m (£168.3m), while the profit comprised £16m (£12.5m) from property and construction and £1.8m (£1.83m (£1.68m)) from commercial and industrial operations. Leased and unallocated capital and finance costs were £1.22m (£1.30m). The shares at 191p do not seem over-rated on a prospective p/e of 11.

15.01p (12.04p) per share. There was an extraordinary debit of £1.2m (£344,000) comprising merger expenses £575,000 and net cost of £266,000 closure and sale of businesses.

● comment

If one could design an ideal company to benefit from the current housing market, one might choose Crest Nicholson. Nearly all its units are in the South East, which is seeing the fastest price rises; it has no landbank which might weigh down its progress or dump it in the market should the market collapse. For the company's sake, it is starting to shift out of the top end of the housing market which it currently sees as a bit peaking. Although its contracting business has had difficulties, Pearce has slotted neatly into the enlarged company. Commercial development is not quite so exciting at the moment but the Woking site has now been fully let, after a tenancy dropped out earlier in the year.

With the group taking a more critical look at its peripheral activities, Crest should be able to benefit this year from continued strength in the housing market and price rises of 5-10% look feasible. The

shares at 191p do not seem over-rated on a prospective p/e of 11.

Ricardo down at £0.93m

Increased investment and an operating loss at a subsidiary was blamed by Ricardo Consulting Engineers for lower interim pre-tax profits. And Sir David Donne, chairman, said the full-year result was also likely to be lower.

From revenue of £8.35m (£7.7m) pre-tax profit for six months to the end of December 1986 fell from £1.28m to £0.7m. Earnings per share came out at 4.38p (5.41p). The interim dividend has been maintained at 1p.

The chairman said that revenue earned from contract and other work had increased during the period but there had been a higher level of spending in strengthening its technical base. The Customs' offshoot had a good order book but the long delivery times of some bought-in items prevented the planned output being achieved resulting in an operating loss, said Sir David.

The shares fell by 28p to 136p.

Media Technology shows profit downturn at midway

Media Technology International, the manufacturer and provider of technically advanced equipment and services to film TV and allied industries, saw pre-tax profit slip back from £1.02m to £0.96m on turnover up from £3.5m to £4.5m in the six months to November 30, 1986.

However, Mr Roger Weston, chairman of the USM-quoted company, said that given the adverse conditions in the UK film industry generally, the board believed that the results were very creditable.

Mr Weston reported that bookings for the TV studio of the wholly-owned subsidiary Joe Dunton Cameras were buoyant. JDC Incorporated was extending its operations in the US from its base in North Carolina which was proving to be one of the fastest-growing film centres in that country. The Mitchell Camera Corporation, which Media Technology International acquired at the

end of 1985, continued its steady development.

Lee Filters, Media Technology's subsidiary, had made good progress, with sales and profit ahead of last year—despite absorbing the costs of larger storage facilities.

Mr Weston added that Media Technology was continuing its essential investment in new and advanced technology to maintain its premier position in the competitive markets in which it operated.

After tax charges of £321,000 (£398,000), earnings per share worked through at 5.41p down from 8.12p. An interim payment of 5.1p (1p) was declared.

HERRBURGER BROOKS (piano actions, keys and hammers). For six months ended November 30, 1986, turnover £2.5m (£2.58m). Operating profit £121,000 (£123,000) less interest £57,000 (£28,000), leaving profit £64,000 (£59,000) before tax £22,000 (£45,000). Earnings 3.17p (4.1p) per share.

Sigmex in black but still under pressure

BY PHILIP COGGAN

Sigmex International, electronic systems group, moved back into the black with pre-tax profits for the half year to December 31 of £288,000 following a loss in the second half of last year.

But the directors expected margins to remain under pressure and felt that profitability was unlikely to show signs of significant improvement in coming months.

The first half turnaround was due to increased sales of specialist software products as demand was for the company's standard hardware proved disappointing. Order books are now three times larger than at the same time last year.

Two major orders, totalling more than £2m, have been won by the French subsidiary, Sigmex SA. They are for the supply of equipment to Electricite de France and for testing equipment for the new rocket booster on the Ariane V space vehicle.

Overseas sales increased to more than 80 per cent of turnover, compared with 40 per cent last year.

Research and development spending is now more than 10 per cent of turnover and the company's 6000 Series of GKS Workstations won a Design Council Award last year.

Operating profit was down to £520,000 from £554,000 in the first half last year on turnover 28 per cent higher at £7.85m (£5.54m). The fall in net interest payable to £154,000 (£221,000) allowed pre-tax profits to rise 11 per cent to £368,000 (£323,000). After a tax charge of £155,000 (£102,000), earnings per share were down to 2.72p (3.74p).

No interim dividend is being paid. The shares, which were placed on the Unlisted Securities Market at 101p at the end of 1985, closed 2p higher at 103p.

Property sales boost Alexanders profit to £1m

Alexanders Holdings, Ford main dealer, lifted its pre-tax profit by 51 per cent, from £251,000 to £378,000 in the year ended September 30 1986, on a turnover slightly reduced to £88.1m.

But crediting £630,000 in respect of a gain on the sale of two properties in Edinburgh pushes up this year's total pre-tax to £1m.

In each of the years from 1981, the company allocated a scrip issue equal to 10 per cent. This time it is to pay a cash dividend of 0.71p net.

Since the year-end the company had sold another property in Edinburgh. The money from those sales would have a marked effect on interest charges, the directors stated.

A full list of issues will be published in tomorrow's edition.

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange. It does not constitute an invitation to any person to subscribe or purchase any shares.

Application has been made to the Council of the Stock Exchange for grant of permission to deal in the Ordinary shares of Hewetson plc in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to listing.

HEWETSON plc

(Incorporated in England — registered number 1838077)

Share Capital
Ordinary shares of 10p each
Authorised: £750,000
Issued and to be issued fully paid: £594,000Placing by
Rensburg
of 1,451,900 Ordinary shares of 10p each at 70p per share

Hewetson plc, based in Hull, are manufacturers and installers of raised access flooring. The Company is also a long-established hardwood flooring supplier and installer.

Full particulars of the Company are available in the Unlisted Securities Market Service and copies of such particulars may be obtained during usual business hours (Saturdays excluded) up to and including 4 March 1987 from:

Rensburg
11 Park Square East
Leeds LS1 2NG
Touche Ross & Co
1 Little New Street
London EC4A 3TR

Copies of the particulars are also available from the Company Announcements Office at The Stock Exchange, London EC2 up to and including 20 February 1987.

18 February 1987

NORWAY'S COMMERCIAL BANK

Union Bank of Norway is one of the four leading Norwegian banks. We provide a complete range of banking and financial services to domestic and foreign clients in service, hi-tech and heavy industries. These include loan and overdraft facilities, money transfers, foreign exchange, securities trading and custodial services both for companies and for individuals. Our treasury capability includes fully automated cash-management and on-line information systems linking direct to the customer's own computer.

Please contact Terje D. Skulderud in Norway, Tel: (47) 3190 50. Telex: 19470 UBN BK. Union Bank of Norway is known domestically as ABC bank.

Also with subsidiary in Luxembourg and representative offices in Copenhagen, Helsinki, London, New York and Stockholm.

A/B/C
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ARRANGED AND PROVIDED BY

BANCO DI ROMA INTERNATIONAL S.A.



OCTOBER 1986

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PRISM LEISURE CORPORATION PLC

(Incorporated in England under the Companies Acts 1948 to 1976 Company No. 1522326)

Placing by

NATIONAL INVESTMENT GROUP PLC

of 1,060,000 Ordinary Shares of 10p each at 120p per share

Share Capital

Authorised £480,000

In Ordinary Shares of 10p each

Issued and now being issued fully paid or credited as fully paid £353,058.80

The principal activities of the Company are the wholesaling, distribution, marketing and licensing of computer games software, pre-recorded cassettes and records.

Full particulars of the Company are available through the Unlisted Securities Market Service. Copies of the Prospectus and of the Unlisted Cards can be obtained until 27th February 1987.

from—

NATIONAL INVESTMENT GROUP PLC

Holland House, 14 Bury Street, London EC3A 5AT

Godfrey Derby & Co, Penniless Porch, Market Place, Wells BA5 2RL

Hillman Catford Board, 45 St Nicholas Street, Bristol BS1 1TX

County Bisgood Limited, Henderson White Jenkins Limited and Smith New Court PLC have indicated that they intend to register as market makers in Prism Leisure Corporation PLC. It is anticipated that dealings will commence on 24th February 1987.

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INSURANCE, OVERSEAS & MONEY FUNDS

COMMODITIES AND AGRICULTURE

US to fight 'outrageous' EEC oils tax proposal

BY LIONEL BARBER IN WASHINGTON AND DAVID OWEN IN CHICAGO

THE US is about to launch a big lobbying effort to block the EEC's proposed new oil and fats tax, which threatens to hurt the American soybean industry.

Mr Richard Lyng, US Secretary of Agriculture, has already called the planned tax "outrageous" and US officials in Washington said he would probably raise the matter with the EEC's agriculture commissioner Mr Frans Andriessen during a conference both were attending in San Diego, California, yesterday.

The prospective row comes shortly after a serious transatlantic trade dispute over the effects of EEC enlargement on US farm exports was averted in a last minute compromise last month.

US trade officials yesterday said that Mr Lyng was leading the opposition to the oil and fats tax which has still to be approved by the EEC Council of Ministers.

Diplomats in Washington forecast a bitter fight over the tax, even though it had surfaced in previous trade disputes in 1964, 1976 and

latterly in 1983. "The last time they sent an army of lobbyists round the capitals of Europe," said one diplomat, pointing out that US soybean oil and beans represent the country's biggest agricultural export to the EEC.

The US is likely to draw comfort however from the fact that EEC members themselves are divided over the tax. The British—who voiced their opposition through a statement by Sir Geoffrey Howe in Brussels yesterday—reckon they have the West Germans, the Dutch and the Danes on their side.

Chicago traders were generally dismissive about the proposed tax's implications on the grounds that "no one believes that it will happen."

"With the EEC you tend to wait until you see the whites of their eyes," observed one trader on Geldermann's soybean desk.

Even if the tax is implemented as proposed, traders believe that consumers are likely to bear the increased prices without any concomitant reduction in demand. "Demand is relatively inelastic," said Mr

Steve Freed of Dean Witter Reynolds. "They are taxing the retailer, not the crusher," he added.

While prices on the Chicago Board of Trade's soybean complex have slipped lower in recent days, particularly in the longer term, traders attribute this primarily to concern over future US Government policy.

"The commission houses have been playing the November spread on the expectation that the Government may lower the soybean loan rate," one trader explained.

The American Soybean Association was less sanguine about the EEC plan, however.

"This tax is like paying the European Community to put a noose around the US soybean farmer's neck," said Mr Dave Haggard, president of the farm lobby group, which represents nearly all US soybean farmers.

"And the worst part of it," he added, "is that US farmers would be the ones paying the bill."

He estimated that about \$2.5bn would be generated by the tax, which would go "to pay heavy subsidies to European oilseed producers."

Aluminium supplies squeezed

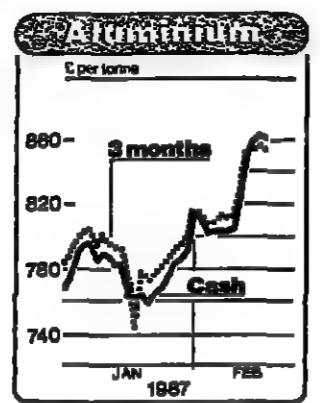
BY STEFAN WAGSTYL

ALUMINIUM PRICES climbed to a new 20-month peak in sterling and a 32-month peak in US dollars yesterday before falling back as investors took profit.

However traders said that supplies in the market for immediate delivery were still short so cash metal maintained its premium over aluminium for three months delivery.

On the London Metal Exchange, three-month metal reached a peak of \$871.50 a tonne, the highest since early 1985. The US dollar equivalent was \$1318 a tonne, the highest since early 1984. At the close the price was \$853.75 a tonne—a 27.75 discount to metal for immediate delivery.

Traders blame the shortages of supplies for immediate delivery on the LME partly on technical factors. The market trades metal of 99.5 per cent purity when the most common grade in the physical trade is 99.7 per cent, so artificial shortages arise. The LME plans to put this right by introducing a 99.7 per cent purity contract in May when it reforms its



trading rules to include a clearing house.

Dealers also say that shortcomings in the control of the growing options market exacerbate the difficulties. Some argue that the fact that there are only five days between the time an option is declared (that is the time from when it can be exercised) and the time it expires (after which it cannot be exercised) produces artificial

Mr Morton said that smelting capacity of 1.5m tonnes, or more than 10 per cent of the Western world total, had been closed in the US and Japan in the last two years. Up to 250,000 tonnes more could be closed this year. These closures had only been partly offset by new capacity which totalled 700,000 tonnes.

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FOREIGN EXCHANGES

Dollar quiet but weak

THE DOLLAR continued to drift, locked in a narrow range. Trading was quiet, with dealers waiting for tomorrow's important economic events. Fourth quarter US Gross Domestic Product growth is expected to be revised up to 2 per cent, from the figure of 1.7 per cent published last month. Traders were also liaison currency to the speech before the US Congress by Mr. Volcker, chairman of the Federal Reserve Board, for any hint of tighter US credit policy, after a rise to over 6 per cent in the Federal funds rate. Also tomorrow Mr. James Baker, US Treasury Secretary, will address Congress, and the market will look for any signs of disagreement between the Reagan Administration and the US central bank.

A rise to 7.27 per cent in January US capacity utilization from a revised 7.3% in December, was much a forecast, and had no impact.

The dollar fell to DM1.8140 from DM1.8220; to FF1.0673 from FF1.0675; to Y153.10 from Y153.00; and to Y153.15 from Y153.10. The Bank of England figures the dollar's index fell 0.4 to 103.4.

STERLING—Trading range against the dollar is 1.8687-8 to 1.8755-7. January average 1.8687-8 is 1.8700. January average 1.8501. Exchange rate index 209.2 compared with 218.1 six months ago.

Sterling benefited from some encouraging news, including a slight fall in North Sea oil prices, on improved oil and weather. The latest opinion poll gave the Conservative Party a lead of two points over Labour, and the prospects for the Government were boosted by a large repay-

ment of £3.7bn in the January UK Public Sector Borrowing Requirement. A large repayment figure had been widely forecast, because of high seasonal tax revenue, but the January surplus was towards the top end of expectations, increasing hopes of a cut in income tax rates in next month's Budget.

The pound gained 1.30 cents to DM1.8278 from DM1.8275, and improved to DM1.8278 from FF1.0675; to FF1.0670 from FF1.0673; and to Y153.15 from Y153.10.

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The yen remained little changed in Tokyo. The dollar closed at Y153.40, compared with Y153.50 on Monday. Dealers said the US currency had locked within a narrow range. In London, investors move to sell Y154 to hedge currency risks, but are also keen to buy, for further investment, at below Y153. Many traders remained on the sidelines, awaiting the reopening of the New York market after the long weekend holiday. They were less relevant to the open positions before tomorrow, when revised fourth quarter US GNP growth is published.

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LONDON STOCK EXCHANGE

Account Dealing Dates
Options

First Dealings Last Account

Dealing Dates Dealings Day

Feb 9 Feb 19 Feb 20 Mar 2
Feb 23 Mar 5 Mar 6 Mar 16
Mar 9 Mar 19 Mar 20 Mar 30

"New time dealings may take place from 9.00 am on two business days earlier.

Budget optimism continued to drive London equities to all-time peaks yesterday. Institutional and private investors committed funds to most sectors of the market although, once again, consumer-related shares attracted the largest trade. The activity in these stocks again reflected expectations that the Chancellor would lower taxes next month and allow interest rates to fall from current levels.

The FT indices advanced at a pace of 1.4 per cent and turned back around mid-morning on a report of a £100m "sell" programme. Marketmakers were confounded, having witnessed no evidence of any major selling and seen only profit-taking which they welcomed to replenish short book commitments.

By 10.30 am the indices had shed most of their gains but the subsequent announcement of last night's Public Sector Borrowing Requirement was still price higher again.

A repayment had been generally forecast but the month's £2.7m surplus exceeded estimates. It was described as extremely good news which would help the Chancellor with his Budget calculations.

The tempo then picked up amid anticipations of a firm opening trend on Wall Street promoting fresh support for internationals. The Dow Jones did move up strongly but US investors displayed only small enthusiasm for UK domestic stocks. Wellcome was the main beneficiary of overseas demand with Japanese sources showing interest following the recent pricing details of the group's anti-diarrhoeal Retribo.

A rush of small selling—allowment letters were arriving in the post yesterday—lowered British Airways but the price later rebounded to close only marginally easier at 1051.5p; volume totalled 69m shares. Mirroring the overall mood, the FT-100 share index rose 1.62 to 1942.0 and the FT Ordinary share index 10.2 to 1552.3, both levels being record closing highs.

Composites up again

Government bonds were overshadowed and finally recorded minimal movements. A weaker dollar meant dullness in a US bond market cautiously awaiting important events tomorrow night. The Reserve Bank chairman's keynote speech, Convention Hall, subsequently drifted back from marginally higher levels while the recently strong index-linked sector ran into professional profit-taking. Some issues gave back a point until recovering to close a net 4 down on the day.

Renewed buying on consideration of the sector's dividend growth and yield potential ahead of the approaching dividend season

Budget hopes strengthen after PSBR repayment and share prices scale new peaks

FINANCIAL TIMES STOCK INDICES											
	Feb 17	Feb 16	Feb 15	Feb 12	Feb 11	Year ago	1986/87	Since Corporation			
							High	Low	High	Low	
Government Secs	86.12	86.08	86.18	85.86	86.80	83.62	94.51	81.39	122.4	49.18	
Fixed Interest	93.06	92.93	92.92	92.73	92.67	88.58	104.06	101.85	101.95	90.75	
Ordinary ▲	1,552.3	1,542.0	1,521.0	1,501.0	1,508.9	1,293.3	1,552.3	1,549.3	1,552.3	49.4	
Gold Mines	305.7	306.3	318.7	319.0	320.7	317.6	357.8	185.7	734.7	43.5	
Ord. Div. Yield	3.66	3.68	3.75	3.78	3.77	4.23	S.E. ACTIVITY				
Yields Ytd '86 (ml)	8.62	8.68	8.81	8.90	8.86	10.21	Indices	Feb 16	Feb 13		
PE Ratio (ml *)	14.21	14.13	13.91	13.77	13.88	12.21	Gilt Edged Bonds	150.5	128.1		
SEB Bargains (5 pern)	55.635	48.129	41.120	42.404	42.758		Equity Bonds	405.0	326.7		
Equity Bonds (ml)	—	1,281.82	1,355.11	1,484.53	1,581.92	1,217.56	5-Year Average	250.7	273.1		
Equity Bonds (ml)	—	62.498	55.809	65.420	59.661	37.001	Gilt Edged Bonds	134.6	131.2		
Shares Traded (ml)	—	563.3	499.1	520.1	—	428.4	Equity Bonds	395.8	392.5		
▼ Opening 1549.5	10 a.m. 1542.8	11 a.m. 1546.4	1 Noon 1554.6	1 p.m. 1554.2	2 p.m. 1555.5	3 p.m. 1552.2	4 p.m. 1551.8	Shares Value	265.7	232.5	
Day's High 1555.6											
Day's Low 1541.5											
Back 100 Govt. Secs 1570.25, Fixed Inv. 1928, Unitary 1735, Gold Mine 1297.50, SEB Activity 1974, "H" 13.67,											

LONDON REPORT AND LATEST SHARE INDEX: TEL: 01-246 8026

Elsewhere, Amersham International revived strongly and advanced 2 to 236.7p.

Dixons jump

Confirmation of the widely-rumoured US acquisition—Cyclone Corporation's retail stores—and Beaver DIY chain for \$34.8m to be financed by a proposed £125m rights issue of convertible securities induced strong buying of Dixons which closed 28 higher at 282.9p following a turnover of 15m shares. Other store leaders moved forward on continuing pre-Budget optimism and featured Burton a further 7 higher at 282p and Woolworths 4 higher at 760p. Sears still reflected value in lower sectors, added 3 to 124p. Elsewhere, E. G. Smith, a smaller listed retailer, jumped 35 to 418p.

Breweries continued to make headway with Bass improving 12 more to 282p and Whitbread A 3 to 281p. Pub landlords added 2 to 217p. McLeans rose 2 to 615p following a "buy" recommendation from brokers B2W and Laing and Cruckshank. Hamleys added 2 to 250p, but the liquidation of stale book positions left Morgan Grenfell 5 lower at 411p.

Leading building issues gave another impressive performance. Tarmac attracted good support and rose 18 to 287p, while Wimpey and Taylor Wimpey added 12 more to 624p ahead of a broker's visit to the company. Cement Industries still reflected a gain of 8 to 220p. Simeon's rose 2 to 229p following a "buy" recommendation from brokers B2W and R. G. Smith. Balfour Beatty, a smaller listed retailer, moved 10 to 287p.

Hopes of an acceleration in consumer spending by the Budget helped Tarmac 287p to 284p among the firm's Electrical major, Cable and Wireless, put on 1.4 to 281p, still reflecting a Fleming "buy" recommendation added 4 more to 229p. Elsewhere, United Scientific moved 14 up to 222p on news of a circular from Chase Manhattan Securities in the wake of the annual report. An upgraded rating from brokers B2W and Hopkins improved a similar amount to 306p on acquisition news.

The food sector continued to provide several outstanding movements. Keen demand lifted Rowntree Mackintosh 7 to 482p and Tate and Lyle 6 to 722p. Argyl rose 23 to 340p on reports that the company is set to sell its pharmaceuticals division to a consortium which includes Morton in the UK and Barton Brands in the US; demand was also accompanied by talk of a broker's recommendation for the shares. Avana continued to move forward on hopes of a counter to the unwelcome Rank Hovis Mcdougall offer and closed 12 higher at 736p, a two-day rise of 42p. RHM finished a penny dearer at 229p. Elsewhere, Hughes Food moved 9 to 654p and Hazelwood put on 6 to 196p.

Pharmaceutical shares continued to claim a considerable amount of interest. Wellcome were actively traded (some 12m shares

changed hands) and moved ahead strongly on both Japanese and domestic buying to close 37p higher at 407.5p. Beecham thought to have been overlooked of late, met with persistent support and finished 14 to the good at 520p amid talk of a major US presentation or roadshow later in the month. Fisons gained 10 more to 644p, while Boots put on 11 to 294p following reports of a meeting with analysts. Elsewhere, Hanson emerged another listed retailer, moved 10 up to 287p ahead of today's expected presentation, but settled without alteration at 167p. Demand persisted for GKN International, up 21 more to 447p, while contract news enlivened interest in Valer which improved 15 to 302p. Satisfactory interim figures left Interco Technology 10 higher at 285p, while C. E. Beazer responded to newspaper comment with a gain of 12 at 242p. Ricards, in contrast, dipped 2 to 138p on the lower interim earnings. Further profit-taking clipped 10 from L. G. M. Ericsson, which put on 12 to 439p, while other good spots included Shillup, 10 at 243p, Smiths Industries, 2 dearer at 237p, and Sater, a similar amount higher at 265p. Satisfactory preliminary figures left Crest Nicholson a few pence better at 180p.

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WORLD STOCK MARKETS

AUSTRIA										GERMANY										NORWAY										AUSTRALIA (continued)										JAPAN (continued)										CANADA									
Feb. 17	Price	Sch.	+ or	Feb. 17	Price	Dm.	+ or	Feb. 17	Price	krone	+ or	Feb. 17	Price	krone	+ or	Feb. 17	Price	Yen	+ or	Feb. 17	Price	Yen	+ or	Feb. 17	Price	Yen	+ or	Feb. 17	Stock	High	Low	Close	Ding	Sales	Stock	High	Low	Close	Ding																				
Creditanstalt po	3,030	-20	+5	AGO	902	-1	-1	Bergens Bank	190	+1.5	-	Gen Prop. Trust	2,72	+0.05	-	MHI	607	-1	-	2020 Chatham	5115	10%	11	+1	-	2351 Interp. Pipe	545-6	45	4514	-1	18400 Rayrock	551	73	51	+1	-																							
Gasometer	3,010	+20	-	Allianz Vers.	1,750	-3	-	Bergenbank	200	+1.5	-	Mitsui Bank	7,630	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Redpath	514	145	145	-1	-																																
Interunifin	13,100	-10	-	BASF	244	-1	-	Berndorf Bank	170	+1.5	-	Mitsui Co.	5,720	+1	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Jungbuschstal	13,100	-10	-	Bayer	2821	-3	-	Blitzkrieg	170	+1.5	-	Mitsui Corp.	1,650	+1	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Permoser	651	-11	-	Bayer Verein	411	-3	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	448	-8	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Steyr Daimler	161	-11	-	BMW Bank	436	-15	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Verbaerl. Bdg.	570	+20	-	BMW	482	-15	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Conti Gummi	287.5	-7.3	-	Boeing	210	+0.5	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Conti Gummi	287.5	-7.3	-	Boeing	210	+0.5	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
DAIRY/LUXEMBOURG	294.5	-2.3	-	Orla Bank	210	+0.5	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Feb. 17	Price	+ or	-	Orla Bank	210	+0.5	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
B.B.L.	5,650	-17	-	Deutsche Bank	564.5	-17	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Band-Aid/L.A.	15,200	-10	-	Dresdner Bank	345	-1	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Bekaert	9,600	-20	-	Henkel	473.8	-1	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Clement	6,200	-10	-	Hochfleif	920	-1	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Deutsche	2,950	-100	-	Hochfleif	920	-1	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
EBES	6,310	+100	-	Hochfleif	920	-1	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Hornet	220	-	-	Hochfleif	920	-1	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
GB Info BM	1,080	-56	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
GBS (Bru)	1,080	-56	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Generale	1,080	-56	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
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Denmark	1,080	-56	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
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ITALY	1,080	-56	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
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FINLAND	1,080	-56	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Feb. 17	Price	+ or	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
NETHERLANDS	1,080	-56	-	Hornet	220	-	-	Blitzkrieg	170	+1.5	-	Mitsui Trust	1,100	-	-	20700 CHUM B I	5124	10%	10	+1	-	2350 Region R	510	150	145	-1	-																																
Feb. 17	Price	+ or	-</																																																								

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Kidder, Peabody Securities Limited

Market Makers in Euro-Securities

An affiliate of

Kidder, Peabody & Co. Incorporated

Founded 1865 • Member SIPC

New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Continued from Page 38

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cl-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. f-dividend in Canadian funds, subject to 15% non-residence tax. g-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulated issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sis-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wl-when issued. ww-with warrants. x-ex-dividend or ex-rights. xds-ex-distribution. zx-without warrants. y-ex-dividend and sales initiated. yd-yield. z-sales in full.

Continued on Page 37

Stock	Div	P	100s	High	Low	Close	Chg	Stock	Div	P	100s	High	Low	Close	Chg	Stock	Div	P	100s	High	Low	Close	Chg	Stock	Div	P	100s	High	Low	Close	Chg		
ACFhd		32	140	140	140	140		OWG	.08	1622	51	49	50	50	+ 1	IntSy		18	1989	27	24	24	+ 1	RBW		43	58	61	61	+ 1			
ACIhp	1.30	14	141	141	141	141		Damon		1266	7	518	518	518	+ 1	IntSyst	.25	25	34	34	34	+ 1	Regan	.12	48	1	204	204	+ 1				
Almond		252333	89	89	89	89		DataPd	.16	24	259	15	145	145	145		IntCyo	.60	11	250	13	124	124	+ 1	Rancho	.72	52	125	142	142	+ 1		
AlmoPr	0.64	2	21	51	51	51		DeMol		1192	9	970	1175	1175	+ 1	IntInt	.10	11	251	52	52	52	+ 1	Roent	A	673	527	552	537	+ 1			
Action		248	22	22	22	22		DevCo		21	5	145	145	145		IntParr		16	250	123	120	120	+ 1	Rest	B	10	23	101	10	- 1			
AdRel		52	36	23	23	23	+ 1	Dillard	.12	162603	417	402	411	411	+ 1	IroqInd		102	10	334	33	33	+ 1	Ridley	.32	12	173	15	144	+ 1			
AlbaW		125	51	51	51	51		Diodes		21	5	51	51	51	+ 1	Jones		11	251	145	145	145	+ 1	Rickey	.32	12	21	24	24	+ 1			
Alphatec		81	51	51	51	51		DomeP		5710	5	51	51	51	+ 1	Jones		11	251	145	145	145	+ 1	Rogers		13	89	19	174	+ 1			
Alzas		392434	52	52	52	52	+ 1	Driller		39	15	15	15	15	+ 1	Judson		11	251	145	145	145	+ 1	Rudicks	.32	13	89	19	174	+ 1			
Amidite		20	51	51	51	51		Ducos	.20	58	177	177	177	177	+ 1	Jacob		11	27	51	51	51	+ 1	SJW	1.68	11	17	34	34	+ 1			
AMZB	.52	10	457	191	191	191	+ 1	EAC		58	81	81	81	81		Jetron	.77	12	88	71	71	71	+ 1	Sage		13	51	51	51	+ 1			
AMZBd	.52	9	18	18	18	18	+ 1	EagCo		18	21	21	21	21		JohnPD		5	52	20	19	19	+ 1	Schels	.30	16	35	35	35	+ 1			
AMZBd		1780	51	51	51	51		EsinCo	1	13	1	227	227	227	+ 1	KeyCap	.12	11	21	51	51	51	+ 1	SbdCap	.50	10	7	168	188	+ 9			
APFrcs	.18	85	19	141	141	141	+ 1	Estop	.20	10	6	314	314	314	+ 1	Kinark		16	3	31	31	31	+ 1	SecCap	.20	27	241	38	34	+ 1			
AmRoy		155	73	73	73	73		EchoBq	.14	2188	208	227	216	216	+ 1	KogarC	2.40	504	198	302	302	302	+ 1	Solitron		27	241	38	34	+ 1			
ASCE	.92	59	51	51	51	51		Ehler		54	86	86	86	86		LaBarg		14	14	14	14	14		Srhgv	.08	22	16	34	34	+ 1			
Ampl	.06	9	117	2	2	2	+ 1	EntMics		3355	142	125	125	125		Lemire		17	261	125	125	125	+ 1	Stard		14	676	125	125	+ 1			
Ampl		3	38	51	51	51		Espay	.40	14	38	18	18	18		Lionel		3	225	18	18	18	+ 1	StorSt		14	52	24	24	+ 1			
Ampl		55	55	55	55	55		F								LorTain		18	6330	18	245	245	+ 1	StrutW		4	54	45	45	+ 1			
Ampl		125	23	23	23	23		FabInd	.08	11	172	340	314	314	+ 1	Loyalty		11	27	125	125	125	+ 1	Synaloy		4	47	47	47	+ 1			
Ampl		125	125	125	125	125		Fatata		2	22	51	51	51		M		M						TIE		14	655	11	11	+ 1			
Ampl		125	125	125	125	125		FauPn	1	1518		1518	1518	1518		McCo	.45	43	5	15	15	15	+ 1	TII		14	555	11	11	+ 1			
Ampl		125	125	125	125	125		FchP	.08	26	9	161	161	161		McCo	.45	43	5	15	15	15	+ 1	TandBr		20	20	59	59	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TchAm		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TchSyst		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	15	+ 1	TechP		13	25	51	51	+ 1			
Ampl		125	125	125	125	125		FchTr	.27	101	45	12	12	12	+ 1	McCo	.45	43	5	15	15	1											

Continued on Page 25

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Record jump to new high ground

WALL STREET

FRESH FROM a three-day weekend, buyers poured back into Wall Street yesterday sweeping stock prices to record levels in heavy trading, writes Roderick Orum in New York.

Equity investors were undeterred by the poor performance of credit markets where bond prices fell as much as 1% of a point during the morning. Bond trading was light and nervous as the dollar weakened and short-term interest rates firmed in response to a rise in the Fed funds rate. The losses were recouped partially in the afternoon.

The Dow Jones industrial average rose a record number of points in a day, 54.13, to close at 2,237.49, also a record. The previous records were set January 22 and February 5 respectively.

Broader market indices also showed strong gains. The Standard & Poor's 500 added 3.78 points to 285.49 and the New York and American stock exchange composite indices rose 2.92 to 162.48 and by 3 to 319.25 respectively.

NYSE trading volume was heavy at 187.7m with advancing issues outpacing declining by a two-to-one margin. Buying was well distributed with high technology companies and those benefiting from a weaker dollar among those most actively sought. Investors appeared to be buoyed by hopes that the economy is improving and by the market's lack of negative reaction to last week's insider trading disclosures.

Among technology stocks, IBM was up 3% to \$138.40. Digital Equipment rose 4% to \$153.50. Motorola added 1% to \$50. Compaq Computer, which unveiled a portable IBM-compatible personal computer, rose 3% to \$34 on heavy volume. Texas Instruments gained 3% to \$157.50 and Cray Research was up 5% to \$116.40.

In the takeover arena, Piedmont Aviation, a regional airline, jumped 86% to \$85.75 after it agreed to be taken over at \$65 a share by Norfolk Southern, a leading railway, which will pay 5% to \$34.93.

The railway sector was generally ahead despite the prospect of a record initial public offering of \$8.75m shares by Consolidated Rail, the government-owned railway, in late March at between \$22 and \$26 a share. Union Pacific rose 5% to \$76.60. Burlington Northern gained 5% to \$86.70 and Santa Fe Southern Pacific added 3% to \$33.40 although CSX eased down 5% to \$34.40.

Cyclops, the specialty steel and consumer electronics retailer, jumped 55% to \$90.40. It received a \$90.40 a share takeover counter offer from Dixon's, the UK stores group. Audio/Visual Affiliates, a fast growing US retailer, had bid \$80 earlier. It was unchanged at \$7.40.

RJR Nabisco rose 3% to \$62.75. It told securities analysts that it was considering spinning off the group's tobacco interests in a master limited partnership because they were not performing as well as the group's food activities.

Coca-Cola Enterprises added 3% to \$16.70. The soft drink bottler, spun off by Coca-Cola in an initial public offering last autumn, reported a profit of \$21m for last year against a loss of \$5m a year earlier and declared an initial quarterly dividend of 14 cents a share.

Northrop, the aerospace group, added 5% to \$46 despite a sharp fall in profits in the latest quarter to 20 cents a share from 63 cents. Wendy's International, the third largest hamburger chain in the US, slipped 5% to \$10 after reporting a loss after charges for the year of 5 cents a share.

Minnesota Mining and Manufacturing, up 5% to \$132, and American Cyanamid, ahead 3% to \$33, both announced two-for-one stock splits and higher dividends.

In the credit markets, bond prices fell in light and uneasy trading as investors and traders wondered what Mr Paul Volcker, chairman of the Federal Reserve, would say about the dollar, the US economy and monetary policy tomorrow when he gives his semi-annual testimony to Congress.

The markets remain highly concerned that the recent rise in the Fed funds rate at which banks lend reserves to each other indicates acceptance by the Fed of slightly higher interest rates. The fears were not eased by the Fed's first intervention in the market yesterday for almost the first time in a week when it supplied reserves by making \$2bn of customer repurchases.

The rate eased slightly to 6% per cent from a high of 6% for the day of 6% per cent.

The price of the 7.50 per cent benchmark Treasury long bond finished the day off 1/2 of a point at 98-12 at which it yielded 7.35 per cent although at its lowest point during the day, the price was down 3% of a point before recovering in the afternoon.

Reflecting the firm Fed funds rate, short term interest rates moved sharply higher in the morning but eased later. The discount rate on three-month Treasury bills, for example, rose 12 basis points to 5.76 per cent before falling back to a gain of only five points yielding 5.63 per cent.

The SURGE on Wall Street gave a boost to Toronto share prices in active trading after a lackluster start.

Most share groups moved ahead although golds eased on drifting world bullion prices.

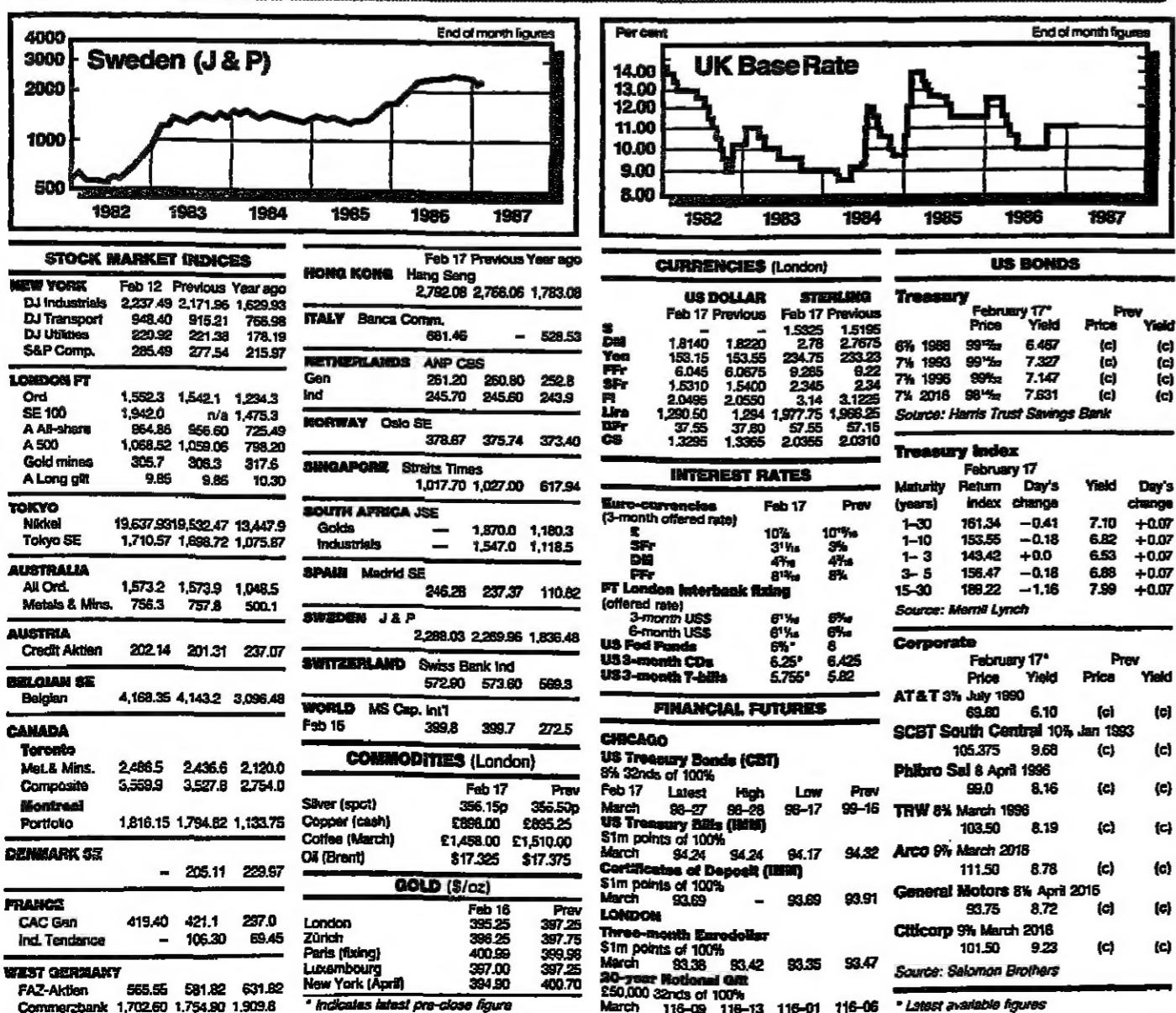
Dome Petroleum, which refused comment on a report that BP was in talks to buy it, added 10 cents to \$11.14.

Algoa Steel lost 2% to \$110 after reporting a bigger operating loss in 1986. Its parent company Canadian Pacific eased 2% to \$23.30.

Banks were mainly firmer in advance of the federal government budget today.

Most sectors gained in Montreal as the market there also moved higher.

KEY MARKET MONITORS



AMERICA

Record jump to new high ground

WALL STREET

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Among technology stocks, IBM was up 3% to \$138.40. Digital Equipment rose 4% to \$153.50. Motorola added 1% to \$50. Compaq Computer, which unveiled a portable IBM-compatible personal computer, rose 3% to \$34 on heavy volume. Texas Instruments gained 3% to \$157.50 and Cray Research was up 5% to \$116.40.

In the takeover arena, Piedmont Aviation, a regional airline, jumped 86% to \$85.75 after it agreed to be taken over at \$65 a share by Norfolk Southern, a leading railway, which will pay 5% to \$34.93.

The railway sector was generally ahead despite the prospect of a record initial public offering of \$8.75m shares by Consolidated Rail, the government-owned railway, in late March at between \$22 and \$26 a share. Union Pacific rose 5% to \$76.60. Burlington Northern gained 5% to \$86.70 and Santa Fe Southern Pacific added 3% to \$33.40 although CSX eased down 5% to \$34.40.

Cyclops, the specialty steel and consumer electronics retailer, jumped 55% to \$90.40. It received a \$90.40 a share takeover counter offer from Dixon's, the UK stores group. Audio/Visual Affiliates, a fast growing US retailer, had bid \$80 earlier. It was unchanged at \$7.40.

RJR Nabisco rose 3% to \$62.75. It told securities analysts that it was considering spinning off the group's tobacco interests in a master limited partnership because they were not performing as well as the group's food activities.

New Zealand sails into storm

THE NEW ZEALAND stock market fell sharply yesterday for the second time this year as the speculative supports that took it to record highs in 1986 continued to crumble, write Our Market Staff in London.

The Barclays Index of 30 leading shares dropped 99.76 to 3,043.00 as small investors moved to stem their losses.

This was the biggest single day since January 29, when the index plummeted 105.50 and the market is now down around the levels of last August.

Among blue-chip losses, Brierley Investments was down 13 cents to NZ\$3.60, Chase Corp, the property and investment company fell 30 cents to NZ\$5.00 and Fletcher Challenge, the building and farming group, was off 10 cents at NZ\$4.75, all lows for the year.

The market has fallen 22 per cent since a peak of 3,912.83.

Analysts date the market's take-off to last spring when financial and property stocks started to rise

on a combination of high liquidity, as in Australia, and a booming property market.

Other sectors fared less well, but the increased weighting of financials and properties in the index gave a distorted picture of the market's strength, analysts say. The index more than doubled last year from a low of 1,854.63 in January 1986.

Private investors then moved into the market in a surge of national fervour over the entry of the New Zealand yacht K27 in the America's Cup.

According to Mr Robert Rowntree, an analyst with London stockbrokers Scrimgeour Vickers, the state of the economy failed to provide solid support for the stock market's boom. "Once the speculative bubble burst there was nothing to sustain the market," he said.

Share prices are now falling on warnings that the market has become overvalued when economic fundamentals include an inflation rate of around 18 per cent, short-term interest rates of 20 per cent and an increased budget deficit.

EUROPE

Brussels hits record and Frankfurt falters again

THE GOOD news in Europe yesterday was the convincing record performance in Brussels as foreign institutions bought heavily in anticipation of the new tax scheme; the bad news was the plunge in Frankfurt as many overseas investors viewed with concern the impact of the dollar on German exports.

Brussels rallied on a broad front with brokers attributing the upturn to the government scheme to encourage long-term investment in securities. Hopes of lower interest rates shortly also contributed to the bullish sentiment.

Utilities, the main interest rate barometer, remained firm: Ebas added Bfr 30 to Bfr 5,450 while Intercom held steady at Bfr 4,300.

Among retailers, Delhaize jumped Bfr 100 to Bfr 2,950 and GE-Lima Bf 100 at Bfr 1,050. Among brokers, Delhaize rose 100 to Bfr 2,950 and GE-Lima Bf 100 at Bfr 1,050.

Industrials were mixed with market bellwether Petrofina shedding Bfr 90 to Bfr 9,410 in reaction to the uncertainty in world oil markets. Solvay, however, added Bfr 100 to Bfr 3,060 and UCB at Bfr 9,850 was Bfr 50 ahead.

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Groupes Belges de Recherches et de Génie Civil (Geric) continued to trade uneasily, with a Bfr 45 drop to Bfr 3,365, amid the latest revelations of insider dealing on Wall Street. Its US affiliate Dresdner KfW, which implicated a former Dresdner chairman, appeared to draw to a close with a series of fines for tax evasion involving former Economics Minister Count Otto Lambsdorff.

Other holding companies were buoyant on strong London institutional buying. Sofina jumped Bfr 100 to Bfr 12,375, Cobeo formed Bfr 100 to Bfr 5,400 and Reserve picked up Bfr 55 to Bfr 3,205.

Frankfurt plummeted as many UK investors sold heavily. The Commerzbank index sustained a

moving up to 10 basis points. The Bundesbank sold DM 42.5m worth of paper after buying DM 7.5m on Monday.

Paris turned lower on end-month position squaring and poor French economic indicators.

Construction issues eased as the firm trend in domestic interest rates appeared likely to continue.

Brokerage houses, which are expected to enjoy larger commission revenues from the active trading in NTT, were sought by investors too.

Nomura Securities advanced Yen 100 to Yen 1,200 and Daiwa Securities was up Yen 100 to Yen 1,200.

Some electric power stocks rose, with Tokyo Electric Power closing Yen 100 up at Yen 1,810 and Kansai Electric Power Yen 100 at Yen 1,820.

The advanced by securities houses encouraged investors to buy bonds, which had suffered a steep decline on Monday. Sumitomo Bank and Mitsubishi Bank advanced Yen 100 each to Yen 1,150 and Yen 1,140 respectively while Sumitomo Trust & Banking gained Yen 100 to Yen 1,170.

Industrial investors bought large-caps and shipbuilding issues. Kobe Steel topped the active list with 144.5m shares changing hands, adding Yen 10 to Yen 2,610. Mitsubishi Engineering & Shipbuilding advanced Yen 10 to Yen 2,330 on trading of 127.5m shares.

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